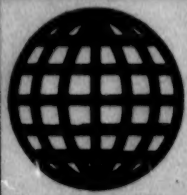


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15 February 1994



**FOREIGN
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JPRS Report

Near East & South Asia

Near East & South Asia

JPRS-NEA-94-008

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PALESTINIAN AFFAIRS

Article Argues for Right of Return

94AA0028A Nicosia FILASTIN AL-THAWRAH in Arabic 19 Dec 94 pp 18-19

[Article by Jawad al-Bashiti: "The Right to Compensation for the Right of Return"]

[Text] The gist of this article/treatment is that America's first-time abstention from voting for Resolution 194 may be intended to imply that Palestinians must choose between the right to a state and the right of return—between a political right and a human right.

Since UN General Assembly Resolution 194 was passed on 11 December 1948, the United States alone every year has sponsored a vote on the resolution, renewing its support for it. Paragraph 11 of this well-known international resolution (which Israel says binds no one, as it was passed by the General Assembly, not the Security Council) establishes the right of Palestinian refugees to return to their homes and live in peace with their neighbors and the obligation to pay compensation for property to those who choose not to return and for every missing or injured person.

Only this year did the United States take a different position. It refused to sponsor the motion to renew the international community's support for Resolution 194 and joined Israel in abstaining from voting.

The Arabs were dealt a double blow. They were gripped by fear that American policy in President Bill Clinton's administration would become more strongly inclined to disengage itself from the international authority for the Middle East peace process embodied in Security Council and General Assembly resolutions on the Arab-Israeli conflict.

Critics of the Declaration of Principles agreement signed by the PLO and the Israeli government, as well as forces that were hostile to it from the beginning, can find in the new American position reason to conclude that the Oslo-Washington agreement was what allowed the United States to retreat from its traditional position on Resolution 194 as prelude to devising an unjust solution to the problem of the Palestinian refugees.

Critics and opponents can also say that it is politically naive to demand that the United States be more royalist than the king or more Palestinian than the Palestinians, now that the PLO has signed an agreement that puts the refugee problem on the "permanent solution" agenda without mentioning Resolution 194, deemed to be the international authority for resolving this problem.

We will not evade a response to this point of view, which seems to have acquired some plausibility in the wake of and because of the recent American position, but we shall first try to assess the real dimensions of the American step.

About a year and a half ago, the United States announced that it had in the past supported and still supported UN General Assembly Resolution 194. This position was announced by the State Department's spokeswoman Margaret Tutweiler prior to the meeting in Ottawa of the committee on refugees that has emerged from the multilateral negotiations on regional cooperation in the Middle East. Her statement reinforced the feeling that Arab, and especially Palestinian, participation in the multilateral negotiations would help enable the American administration to develop its positions on the peace process and make them more positive by Arab-Palestinian standards. Certainly, the mention of Resolution 194 in official American statements raises in the minds of those who yearn for "a just peace" a headlong desire to believe that the Palestinian problem from A to Z will be resolved finally in a political settlement that drives into oblivion the "humanitarian clause" contained in Security Council Resolution 242. This clause revealed to us how much those who hold the reins of international policy wrapped in international legitimacy lack the humanitarian sense; for setting "humanitarian right" in place of what is "political right" represents a complete negation of true humanitarian criteria.

Of all Palestinian rights, the right of return is the one that most inspires the dreams of afflicted Palestinians. It will turn out to be an outrageous crime if the United States feigns inability to help us respond to this political and humanitarian need. This we say, having been taught by the experience of international politics that a major power's announced political commitment on an issue can for practical considerations turn into a political deception that its authors usually categorize as part of what they like to call "the political game."

Tutweiler's statement, which was in response to a journalist's question, was followed by an American official's admission that the administration preferred not to answer "questions of this kind."

The officially announced reason was that the American administration preferred to avoid raising difficult problems, such as the right of return for Palestinians, at the beginning of the talks, because raising them could lead to "the collapse of the house of cards" in which the peace negotiations are taking place.

Signaling that the United States would adhere to an interpretation of Resolution 194 that evaded the essence of the resolution, the American assistant secretary of state for Middle Eastern affairs, Ambassador Edward Djerejian said: "The matter (Tutweiler's statement) has been magnified and given more importance than it really has. You know the United States' position on Jerusalem. That is a good example of how the matter can be twisted."

It is indeed a good example. Resolution 194 also speaks about putting Jerusalem under United Nations custody, whereas the American position (which until the other

day supported this resolution) leaves the destiny of Jerusalem to the negotiations and supports the city's continued unity.

How does the United States now justify its new position of abstaining from voting?

Explaining the reasons for his country's abstention, George Sherman, the American representative, said: "We want at this important moment to avoid problems that might cause division; for the positions of the parties in the region differ in important respects on the refugee issue, and these differences must be settled at the negotiating table."

After renewing America's strong commitment to "a comprehensive, just, and lasting peace," he expressed his government's hope that this peace would include a satisfactory settlement of the refugee problem. As for the "philosophical principles" of this American view, they are: "not showing partiality in advance, not prejudging the results of the negotiations, and rejecting any language that could be deemed a premature judgment."

The American representative registered his country's objection to such expressions as "occupied Palestinian land, including Jerusalem," and "Palestinian and other Arab lands that Israel has occupied since 1967, including Jerusalem." According to the American representative's explanation, these phrases or expressions could be considered "prejudiced and prematurely judging the results of the negotiations."

For the same reasons, the United States abstained from voting on a draft resolution on the Golan "condemning Israel, the occupying power, for refusing to obey resolutions on the occupied Syrian Golan, particularly Security Council Resolution 497, in which the Council deemed that Israel's decision to impose its laws, judicial rule, and administration on the Golan was null and void and of no effect under international law and demanded that Israel rescind the decision immediately."

We do not know how this American position squares with Clinton's announcement that his meeting with Syria's President Hafiz al-Asad "will show the authority of the foundations of the process for a comprehensive, lasting peace."

Washington has transferred the refugee question from the bilateral to the multilateral negotiations. At the same time, Washington has prevented making Resolution 194 a basis for negotiations in the committee on refugees. Washington has announced several times that it opposes raising the question of the Palestinians' right to return at the multilateral negotiations on refugees.

Although the United States has moved the subject of the refugees to the multilateral negotiations, it has affirmed on many occasions that this subject must be discussed when the parties begin negotiating in the bilateral negotiations about the final disposition.

Washington views the committee on refugees that has emerged from the multilateral negotiations as the place where the "technical aspects" of the refugee problem and its mode of resolution can be discussed.

But only the bilateral negotiations based on Resolution 242 are responsible for finding "a just solution to the refugee problem" in accordance with this resolution. In the context of the bilateral negotiations, from the purely legal point of view the United Nations can at the appropriate time interpret "a just solution" to the refugee problem as being full implementation of Resolution 194. In seeking to interpret the phrase "just solution," the international organization cannot ignore Resolution 194, for the legitimate international authority is an indivisible whole. Without downplaying the significance of the latest American position, we expect the United States to continue its support for Resolution 194—this because it is the party most eager for the peace negotiations to encompass all the difficult issues and problems for whose solution the United Nations has defined foundations through its various resolutions. The most important thing for Washington is that the political negotiations reach results in light of which one can claim that all UN resolutions have turned into agreements between the parties, even if these agreements turn out to have the form of a distorted and arbitrary interpretation of the resolutions of the international authority.

Even Israel wants a certain implementation of Resolution 194. It hopes that the negotiations on a "final solution" will arrive at results that guarantee the Palestinian refugees their right to compensation for their right to return to their homes.

Perhaps the most important thing that must be avoided is indulging in the illusion that the UN General Assembly is capable of implementing Resolution 194. For 45 years, the Assembly has stated that the condition of the refugees is disturbing and has expressed regret that no means have yet been reached to realize progress in implementing paragraph 11 of Resolution 194.

Yet, what if paragraph 11 were implemented under the current circumstances of the peace process?

Israel, with support from the United States and other powers, would strongly reject allowing the Palestinian refugees to return to their homes, so that compensation would become the likely alternative. And compensation by itself would not be the solution, since Israel would seek to make it part of a process of resettling the refugees in Arab and foreign countries and granting them the nationalities of these countries.

Palestinians can in no way accept such a solution. The focus of their striving and struggle will remain guaranteeing the refugees' right to return to their homes and guaranteeing the right of returnees or those who receive compensation to obtain Palestinian nationality, so that the Palestinian state in the West Bank and Gaza Strip will belong to Palestinians wherever they may be.

While holding fast to Resolution 194, we realize that some requirements of a just solution to the Palestinian refugee problem cannot be found in this resolution. A just solution to the refugee problem cannot come about through implementation of Resolution 194, just as it cannot come about without its implementation. The impact of the political and strategic pressures by which the state of Palestine has been limited geographically to the West Bank and Gaza Strip must be neutralized as regards the demography of this state, so that the economy can be its defining factor in regard to population.

Gulf Funds See Further Investment in Gaza-Jericho

94AE0065B London AL-HAYAH in Arabic 11 Jan 94
p 10

[Unattributed article: "\$30 Million Funds for Projects in Occupied Territories This Year"]

[Text] Abu Dhabi—Gulf development funds are expected to play a prominent role in the development process in the occupied Arab territories when the Gaza-Jericho agreement is implemented.

Dr. Badr Malallah, the general coordinator of the Arab development funds, has said that the Gulf funds have been assigned by their governments to fully implement and supervise development projects in the occupied Arab territories in cooperation with the World Bank.

He said, in remarks made on the occasion of the 35th meeting of the coordination group of the national and regional Arab development organizations, which got underway yesterday in Abu Dhabi, that contacts were ongoing between the funds and the World Bank to set up a mechanism for future cooperation in the development process in light of the \$2 billion "assistance deal" that was decided upon in the assistance donor countries last October in Washington.

The Gulf states have so far promised to give \$150 million, of which \$100 million will come from Saudi Arabia, \$25 million from the United Arab Emirates, and the same sum from Kuwait. Malallah indicated that these amounts were not final, but merely the first step in supporting "the course of development in Palestine." He said that the Arab Fund for Economic and Social Development [AFESD] would present a report in the meeting about its experience in funding development projects in the occupied Arab territories. He added that this report would help the rest of the funds find a common direction for future cooperation in supporting development in the autonomous Palestinian areas. He indicated that AFESD had 10 years of experience in this field.

For his part, Isma'il al-Zirani, director of operations of AFESD, said that the volume of AFESD's operations in the occupied Arab territories, from the time of its

establishment until the present, amounted to \$40 million. He said that AFESD would fund \$30 million worth of projects in those areas in the current year.

UAE Funds Study Investment in West Bank

94AE0065A London AL-HAYAH in Arabic 11 Jan 94
p 10

[Article by Shafiq al-Asadi in Abu Dhabi]

[Text] Eight Arab and regional development funds began meeting in Abu Dhabi yesterday to coordinate their future development operations.

Sources in the meeting confirmed that the study would focus on unifying their participation in these funds in development operations in Gaza and Jericho, in light of the experience of the Arab Fund for Economic and Social Development [AFESD] in its development efforts in Palestine. These sources told AL-HAYAH that the meeting, held at the technical office and director of operations levels in these funds, would discuss the enacting of a working plan to publicize their role in development operations globally and in the Arab world. They confirmed that the plan included the issuing of various courses and the production of a television program and intense media campaigns explaining the role of these institutions in Arab development work as well as on the level of developing countries. The sources indicated that this plan was essential after the Gulf war, when these funds' activities were conducted without seeking attention.

The sources told AL-HAYAH that the directors of operations would conduct a comprehensive assessment of the results of the operations of these funds in the Arab countries and other developing countries and put new conditions on the funds' loans. These would include disbursing them directly to the developmental operations for which they were granted. Director general of the Abu Dhabi Development Fund, Khalifah Muhammad al-Muhayri, confirmed the new business that will be discussed in this meeting.

He said that "the huge scale of these institutions' activity makes it incumbent on us to monitor the extent of the developing countries' benefit from the aid and loans we give them, as well as the extent to which those countries comply with the rules and measures of our institutions, which are aimed at the best choice of projects for us to fund, and guarantee the soundest implementation at the lowest cost and promptest time, to serve development and achieve the goal for which the loan was made."

Al-Muhayri explained in his keynote speech to the 35th meeting of the coordination group of the national and regional Arab development institutions his belief in the need for the coordination group to study the effects of recent global changes on the political, economic, and geographic fronts, along with the accompanying results and the extent to which these results are reflected in the group's institutions, in order to be able to plan policies in

line with these changes in the contemporary world, and to prepare for all future eventualities.

Al-Muhayri reaffirmed the need to intensify efforts and support the existing cooperation between these institutions with their interests and the interests of development in the developing countries. Al-Muhayri also reaffirmed the need for the collective funding of projects in cases where there is ample will for funding in the relevant country, thus helping to respect the terms and rules in effect for the action of these institutions, especially when there is plenty of early coordination between them. The director general of the Abu Dhabi Development Fund said that the volume of Arab development aid from 1970 through 1992 amounted to nearly \$94 billion, of which nearly \$36.5 billion had been provided by the eight funds taking part in the meeting. One hundred and five Arab and developing countries benefited from this aid, which went to implement 2,665 funding operations. Al-Muhayri disclosed, in his remarks, the existence of the problem of arrears in the debts of countries receiving development aid from the institutions. He asserted the need to make an effort to try to find suitable methods for solving this problem and for prodding countries which are slow to pay their debts and commitments. This would strengthen the institutions' ability to offer more loans and aid, to move the development process forward, and help the developing countries to overcome the difficulties they face in the development process.

Informed sources told AL-HAYAH that the volume of arrears owed to the eight funds had amounted to nearly \$2.101 billion at the end of 1992, representing 5.88 percent of the volume of the development aid they had offered.

The greatest volume of arrears are owed to the Arab Monetary Fund, with \$622.5 million, representing 25.38 percent of its total loans, worth \$2.457 billion, followed by the Saudi Fund, whose arrears amounted to \$357.995 million, representing 6.14 percent of its \$5.826 billion in loans; and the Kuwaiti Fund, with \$292 million in arrears, or 4.03 percent of its \$7.240 billion in loans. The OPEC Fund had \$196.6 million in arrears, or 7.03 percent of its \$2.798 billion in loans, followed by the AFESD with \$188.46 million in arrears, or 3.32 percent of its nearly \$5.672 billion in loans; the Arab Bank for Economic Development in Africa, with \$181.5 million in arrears, or 16.41 percent of its \$1.106 billion in loans; followed, lastly, by the Islamic Development Bank, with \$178.8 million in arrears, or 1.97 percent of its \$9.09 billion in loans.

Sources in the developmental institutions' coordination group said that the arrears problem had not limited their activity in carrying out their role in offering development aid to the developing countries.

Dr. Badr Malallah, the official in charge of these developmental institutions, said that they had provided nearly \$1.245 billion in the first half of 1993 to participate in

the funding of 133 development operations benefiting 49 developing countries in addition to several groups, organizations, and other agencies.

These funds were distributed among 23 loans worth \$1.027 billion in various service and production sectors, \$2.3 million to fund foreign trade, and \$15 million to fund numerous activities in the field of research and the preparation of feasibility, teaching, training, and health studies. Dr. Malallah said that the distribution of the aid according to the funding sources was 33.6 percent from the Arab Fund, 28.5 percent from the Kuwaiti Fund, 19.7 percent from the Islamic Bank, 44 percent from the Abu Dhabi Development Fund, 4.8 percent from the OPEC Fund, 3 percent from the Saudi Fund, 4.9 percent from the Arab Bank for Economic Development in Africa, and 1.1 percent from the Arab Monetary Fund.

ALGERIA

Background Bio Information on Zeroual

94AF0069A Paris LE MONDE in French 1 Feb 94 p 3

[Article by Jacques de Barrin: "A Very Political Soldier"]

[Text] On Sunday 16 January, when he appeared on the TV screen in the middle of prime time to call the entire political class to order, many Algerians told themselves—once their surprise was over—that General Lamine Zeroual, who had been recalled from retirement six months earlier to become minister of defense, was someone who might have to be reckoned with. Had he not warned the country's "living forces" that it was their "national duty" to "help overcome the crisis"? Had he not promised everyone that "the Armed Forces will not stand idly by in the face of dangerous deviations and excesses"? Had he not given his compatriots reason to hope that "the desired rupture depends on the establishment of a new national system"?

Lamine Zeroual was born in Batna, "capital" of the Aures Mountains and site of the first struggles for independence, on 3 July 1941. His fellow soldiers Gen. Khaled Nezzar, former member of the Higher State Council, and Gen. Bennabes Ghezzi, the current commandant of the Gendarmerie, are from the same town. At 16 years of age, Zeroual joined the ranks of the National Liberation Army (ALN). When peace came, he was sent abroad for military training: first to Moscow and then to Paris. Pursuing a conventional and uneventful career, Zeroual was given command of the Applied Weapons School in Batna in 1975 and then of the Combined Arms Military Academy in Cherchell in 1981. After that he was named head of several military regions in succession: Tamanrasset in the Sahara in 1982, Bechar on the Moroccan border in 1984, and Constantine in the eastern part of the country in 1987.

After being promoted to general in 1988, Zeroual was appointed commanding general of the ground forces. His

military career was interrupted at that point: as the result of disagreement with Chief of Staff Gen. Nezzar and President Chadli, both of whom supported a professional military no longer under the control of officers from the ALN, he hung up his uniform in December 1989. He was appointed ambassador to Romania, but remained in that post for less than a year, preferring to retire completely from public life. Contrary to all expectations, Zeroual, who is married and has three children, again stepped to the front of the political stage last 10 July, when he was called upon to succeed Gen. Nezzar as minister of defense. On 24 October, during his first public speech, he called on "the political and progressive forces" to "work together to find a consensus solution to the crisis before the end of the year." In his eyes, that solution "must conform to the ideals of November (1954)."

'Loss of Confidence'

On 16 January, the untalkative but very "political" soldier became insistent, deploring "the weakness of a system that allowed the emergence of a parasitic ideological movement"—meaning the Islamic movement. Acknowledging "the loss of confidence in a government whose words are in complete contradiction with its actual practice," he advocated a "real break with the behavior and management methods of the past."

Will Gen. Zeroual keep his word? He is not well-known to the public, and no one knows exactly how he will behave with the reins of power in his hands. Meeting with him during a visit to Algiers in mid-November, Jean-Pierre Chevenement's first impression was that the general did not have the makings of a Pinochet.

Numbers of Foreigners Leaving Raises Concerns

94AF0075B Algiers EL WATAN in French
16 Jan 94 p 24

[Article by F. Metaoui: "Security: The Foreign Women's Tragedy"]

[Text] The International Committee To Support Algerian Intellectuals (CISIA) set up in Berlin, Germany, intends to start, next March, an awareness campaign on the serious situation existing in Algeria.

The committee was set up a few days after Smail Yefsah's assassination, last October; in addition to its normal activities, it has been concerned for some time by the flow of foreign families residing in Algeria who return to their native country.

According to Mr. Sadek Kebir, a member of the German CISIA, the situation is dramatic. "Recently, we were contacted by foreign women married to Algerians and who lived in our country for a long time, among the working class. Since armed groups started attacking foreigners, they left Algeria, against their will. All of a

sudden, they find themselves in Germany, in the Netherlands, in Poland, or in Russia, where they have practically no family," Mr. Kebir observed; he believes that these women discover that their countries are totally different, and therefore have problems adjusting. "The entire world is looking at us."

"We must study the situation of these foreign women. If someone is to be murdered because of who he is, we might perhaps understand that, but attacking innocent individuals because they don't look like Algerians, shooting at them, that is racism or even fascism," he said, adding that these women are sounding the alarm bell. "If we let that happen, neither the world nor history will forgive us," he said gravely.

For Sadek Kebir, it becomes imperative to appeal to the people to make them understand that these foreigners "must enjoy every protection." In support of his position, he pointed out that in Germany, as everywhere else in Europe, the Algerian people enjoy a good reputation for their sense of hospitality. "Distrust of foreigners must disappear."

"The women who contacted us said that they want to live in Algeria but are afraid of terrorism," Mr. Kebir stated, adding that the FLN [National Liberation Front] regime did a lot of damage in that it consistently denied Algerian citizenship to foreigners who applied for it.

"The women who called on us came back with their children. Before leaving with their mothers, these children attended Algerian state schools. What are we going to do with these children who, until proven otherwise, are Algerians?" Faced with these many problems, the CISIA is creating a European association to support these families in distress, help them get through these bad times, and show "our full solidarity."

"For us, the essential is to publicize the problem and inform public opinion."

In addition, Mr. Kebir stated that applications for political asylum in Germany are not as numerous as is generally thought. "People must know that applications for asylum are not processed at state level. German law gives German institutions full latitude to decide on such demands. It is a mere problem of legality, not high-level politics," he said, indicating that the CISIA is attempting by all means to inform the Germans as to the situation that prevails in the country.

"We would like to make them aware of the violence. If Algeria must face this phenomenon today, the entire Maghreb will be affected tomorrow, although the Europeans have begun to grasp what is at stake since the Yugoslav conflict broke out."

Mr. Kebir denies the fact that Germany is used as a rear base by Islamist fundamentalists. "Although it is true that the FIS [Islamic Salvation Front] is known in this country, nevertheless Germany has self-respecting institutions. The State is far from supporting any form of

activism," he indicated. In closing we should note that the CISIA will soon have representatives in Amsterdam, Holland.

Legitimacy of National Conference Questioned

94AF0075A Algiers EL WATAN in French
23 Jan 94 pp 1, 3

[Commentary by Reda Bekkat: "What Legitimacy?"]

[Text] Is the national conference heading for failure now that three of the largest parties deny it their support? In fact, less than three days before the start of the conference, the FLN [National Liberation Front] declined the commission's invitation, thus following the example of the FFS [Socialist Forces Front] and the RCD [Rally for Culture and Democracy].

It is not unlikely that other major parties or social organizations may follow the boycott movement. We are thinking of employers' organizations, in particular the UGTA [General Union of Algerian Workers] which, recently again, denounced the methods and men of a regime that it demands should resign. Already, however, with such conspicuous absences, we cannot fail to wonder whether the national conference will retain any legitimacy, any credibility, especially as far as the objectives assigned to it are concerned.

Apart from a certain consensus on the draft platform and the participants' commitments during the transition period, which would be binding for political and social players, the conference should also approve whoever will be in charge during the transition period.

In other words, it should settle the matter of the HCE [Higher State Council] succession with the parties to the conference and representatives of the present government.

There is absolutely no doubt that the commission's legitimacy is considerably reduced by the absence of major political parties, including the one that used to be the single party but whose participation in the conference the members of the national dialogue commission nevertheless deemed necessary.

Under these conditions, how can the national conference legitimately take place, and how could any solutions adopted concerning who is to be in charge during the transition period be considered as emanating from a national consensus between political and social organizations? Undoubtedly, this is the dilemma that the initiators of the national dialogue must face. A deadlock, therefore, is possible.

In this case, we cannot help recalling the defense minister's statements, which some interpreted as a warning to the political class in general and to the parties in particular, against any attempt at obstruction.

Algerians Considered 'Undesirable'

94AF0073C Algiers EL WATAN in French
10 Jan 94 p 24

[Article by Zineb Oubouchou: "Abroad: Algerians Who Have Become Undesirable"—first paragraph is EL WATAN introduction]

[Text] No matter where they go, Algerians have now become undesirable. Recently, several countries cracked down on illegal aliens carrying the green Algerian passport. Tens of arrests were followed by deportation to Algeria.

This has become so widespread that in the past few days the border police was overwhelmed by an increasing number of deported Algerians. In November for instance, 26 Algerians were deported from France and returned to their native country. According to French security services, they were in an illegal situation.

One month later, some 40 natives of the Maghreb were arrested and found to possess false identity papers.

French authorities wanted to deport them to Algeria. However, our Ministry of Foreign Affairs refused to receive them because, we were told, these individuals' citizenship was not established. It also seems that 20 of the 40 individuals that were to be deported to our country either had AIDS or were drug addicts.

In Germany, over 40 Algerians suffered the same fate. Fifteen of them were deported earlier this week. The reason for this decision was the same as the one given by French authorities, i.e., they were in an illegal situation.

Even Poland, the ideal country for most black-market traffickers, is cracking down on Algerians. Contrary to the other cases we just mentioned, Polish security services did not bother to check the identity of Algerian tourists.

They just turned back the Air Algeria aircraft when it landed in Warsaw, without any explanation, we were told.

Surprised by the new regulation that Belgian Embassy officials started applying recently, an Algerian assured us that to obtain a Belgian visa you must pay 165 French francs [Fr]. "As a businessman, I went to the embassy with a letter stating my mission, that is a perfectly legal recommendation. All the same, Belgian Embassy officials demanded payment in foreign currency. Knowing that this is quite illegal, I declined to do so. Then, they denied me a visa," this man told us.

The most tragic case was that of the 10 or so Algerian "black-market traffickers" who were arrested by Libyan security services after going through the Debdeb border post with all their papers in order. According to these "black-market traffickers," the Libyan police took them to a police station, handcuffed and blindfolded. Then, the police confiscated their identity papers and their

passports before releasing them. Some of the individuals involved testified that the police gave them back their papers only on condition that they spend on the local market any foreign currency they owned.

In spite of all these humiliations, the rush to consulates is undescrivable. The French consulate in Algiers illustrates rather well this situation. Yesterday, drastic means had to be used to disperse the huge crowd that had gathered at the main entrance.

An impressive police contingent was deployed around the consulate, on Place des Martyrs.

The security of the consulate was ensured by blue minitanks followed by Nissan vehicles carrying armed "ninjas." At times, when citizens attempted to cross the line, the police fired warning shots to frighten the most obstinate.

First Part of Fiber Optic Cable Project Realized

94AF0073B Algiers LIBERTE in French 4 Jan 94 p 4

[Article by K. Goulmamine: "Telecommunications: Opening Up to the World Through Fiber Optic"—first paragraph is LIBERTE introduction]

[Text] The submarine fiber-optic cable section inaugurated yesterday morning will connect our country to many other continents. Algeria is opening up to the world.

The project in which Algeria is a shareholder consists in fact in curing the telecommunication sector of the mediocrity that characterized it. At the same time, Algeria's communications with the world will be improved. To this end, a link with South and East Asia, the Middle East, and West Europe was established.

More precisely, this telecommunication network section will connect Algeria to the five other Maghreb countries, through 20,000 telephone lines and 16 television channels.

This is the first section of the telecommunication electronic highway. Through a submarine section, Algeria will be connected to Singapore, Indonesia, Sri Lanka, India, Saudi Arabia, Egypt, Italy and, finally, France.

According to a Channel-1 radio news broadcast, the first section of the submarine cable will connect Algiers to Marseille. The Algerian part consists of 900 km of optical fiber, and the signal will be amplified by repeaters placed every 100 km. The estimated cost of the project is 90 million French francs [Fr] for 8,000 lines. The Algiers-Marseille link was acquired by the Ministry of Post and Telecommunications and will become operational soon.

It was announced that, from now on, nearly all governorates will be connected to the national digital network. Over 100,000 subscribers are already connected. To relieve congestion at the Algiers telephone center, the

sections created in Oran, Constantine, and Ghardaia were decentralized. The 1993 telecommunication plan also covered communication security. To achieve this, Mr. Hassene Daffer explained, "the creation of electronic highways will prove very useful to connect large regional poles and large national transit centers. Several sections are already in operation between Algiers, the South and the West of the country."

Digital systems are increasingly used in Algeria. In the very heart of the capital, several computerized centers are already in operation in some districts. According to Mr. Daffer, setting up such centers nationwide will make it possible to meet 96 percent of pending applications very quickly and under favorable conditions. Nevertheless, a few towns in the East will have to wait until March 1994. Other projects are being considered, for instance an Algeria-Palma link by 1996, via a fiber-optic submarine cable.

As you will recall, optical fiber is a means of transport that involves carrying laser beams through a 1.5-micron thick fiber. It was introduced in Algeria during the eighties. Since then, test sites have been set up and have enabled experts to master the project and the technology.

Reactions to Dedication of Nuclear Reactor

94WP0045Z Algiers EL MOUDJAHID in French 22 Dec 93 p 3

[Interviews with officials following nuclear reactor dedication, by M.B. and A.B.; place and date not given]

[Text]

Mr. Li Dingfan, Head of the Chinese Delegation: 'A Sound Base for Scientific Development in Algeria'

Vice-minister of the People's Republic of China, Mr. Li Dingfan is also vice-president of the Chinese Atomic Energy Agency and a university professor. In addition to his functions, he was heading the Chinese delegation that helped build the Es Salem reactor. He kindly answered our questions on this project, which constitutes a symbol of Algerian-Chinese friendship.

[EL MOUDJAHID] How would you evaluate this project?

[Dingfan] Today is a joyful day for everybody. It is an important page in Chinese-Algerian collaboration. It is memorable. I expressed this in writing in the visitors' book. I hope that this blossom of nuclear science and technology, grown by the Algerian and Chinese parties, will bear fruit as soon as possible.

[EL MOUDJAHID] What does this project mean to you?

[Dingfan] It is the living symbol of cooperation in development through energy. At least, it is a sound base

for scientific development in Algeria. We may say that it boosts the Algerian people's reputation throughout the world.

[EL MOUDJAHID] Will the Algerian-Chinese cooperation in the nuclear sector continue?

[Dingfan] If there is a desire for cooperation, there is no doubt that we shall be available and present. We have been collaborating for six years.

I hope that Algeria will be able to continue its development peaceably and peacefully. I wish that the people may enjoy the benefits of this reactor.

Mr. Abdellah Laid (Doctor in Nuclear Physics): 'Possibilities for Serious Work'

Being a researcher at Ain-Oussera is not a pleasure; it is a passion which, alone, makes it possible to overcome all problems. Mr. Abdellah Laid is head of research at the physics department. He talked to us about it.

[EL MOUDJAHID] How important would you say this reactor is?

[Laid] It is very important for the future of the nuclear sector in Algeria. The entire nuclear sector will be concentrated around this site. The reactor design will allow the peaceful use of nuclear energy. For instance, we will be able to dope selenium, to produce radioisotopes, which are very important in Algeria for nuclear medicine and for the industry. Studies and surveys of manufacturers and hospitals throughout the country have shown that there is a large demand for radioisotopes. This reactor being equipped with irradiation channels, we can produce these radioisotopes for medicine and the industry. For research and agriculture, some radioisotopes are currently used in small amounts, but we can supply more now that we have this reactor.

[EL MOUDJAHID] Could you tell me where you studied?

[Laid] I have a doctorate in nuclear physics. I studied my specialty in England for a few years.

[EL MOUDJAHID] Have you received offers to work in other countries?

[Laid] Yes, but I preferred living in my country. It is very important for us. Especially considering that, this time, things are taken seriously and we have the possibility of doing serious work.

[EL MOUDJAHID] Could you tell us how much you get paid?

[Laid] I cannot tell you. But it is insignificant compared with foreign offers. I am not interested in money; rather, I am interested in encouraging researchers and having them work around this tool. We have here a great many researchers who deserve every kind of encouragement.

The Minister of Foreign Affairs: 'A Symbol of the Strengthening of Peace and Security'

[EL MOUDJAHID] Mr. Minister, how would you evaluate this new nuclear acquisition?

[Minister] It is a universal factor for anything that has to do with the use of nuclear energy for peaceful ends, especially in the sectors of agriculture, health, and of course energy. Many countries produce nuclear electricity. In Algeria, there are huge potential uses for nuclear energy, including the desalination of sea water. Today, we very explicitly mentioned that our nuclear program was set up for peaceful purposes. Algeria solemnly announced that it now intends to adhere to the nuclear nonproliferation treaty. This rules out any possibility of using it for military purposes. That was the message given at this inauguration. At the same time, we wanted the inauguration to take place under conditions of absolute openness. The international press as well as the entire diplomatic corps accredited in Algiers were present. This project is a symbol of the strengthening of international peace and security. It also shows that our country possesses a powerful scientific and technological potential, that Algeria is the kingpin of Maghreb and that it currently contributes much to consolidate not only Maghreb unity, but also everything that contributes to the economic, cultural and social development of the Maghreb community.

[EL MOUDJAHID] How would you evaluate relations between Algeria and the International Atomic Energy Agency [IAEA]?

[Minister] Mostly, we should note that we have excellent relations with the IAEA. Its general director just sent a message on the occasion of this inauguration.

[EL MOUDJAHID] This inauguration coincides with the 35th anniversary of the establishment of diplomatic relations between Algeria and China. How would you evaluate these relations?

[Minister] First, I would point out that these relations developed satisfactorily since, during our national liberation struggle, China was one of the first countries to recognize Algeria as a sovereign state aspiring to independence. After independence, we developed our relations and strengthened them in the economic, commercial, and cultural sectors. This Ain Oussera center is the best example of the development of our relations.

The Minister of National Education: 'The Hard Core of Research'

[EL MOUDJAHID] Could you tell us why it was the Ministry of National Education that was the nuclear reactor project leader?

[Minister] This project is in line with Algeria's research policy. The research sector depends on the ministry delegated to higher education which, as its name indicates, is itself delegated to the Ministry of National Education.

[EL MOUDJAHID] What benefit does Algeria derive from this reactor project?

[Minister] It is an important, even a decisive stage, following the first stage, which was that of the Nour reactor. The latter was a 1-MGW [as published] research reactor. The new Essalam reactor has a 15-MGW power output; in other words, it allies research and production, especially the production of radioisotopes for agriculture, medicine, and pharmacy. It is also a future provider of services for product control and analysis through nuclear methods. We have reached a stage where Algeria can use this nuclear tool for its economic and social development.

[EL MOUDJAHID] What benefits did Algeria derive from the operation of the first Nour reactor?

[Minister] In spite of its modest capacity, Nour enabled Algerian researchers to access the nuclear field for the first time. Note that this is the peaceful nuclear field since we are talking about peaceful nuclear activities. Nour enabled us to access this huge and extremely complex field, to familiarize us with it, and it enabled our researchers to master the essential aspects of nuclear-related research.

[EL MOUDJAHID] Is the research personnel entirely Algerian?

[Minister] Yes, 100-percent Algerian; but we wish to increase their number. According to our Chinese friends' evaluations, Algerian researchers are of appreciable quality. They are young, very dynamic, dedicated in spite of difficult living conditions. Some are away from their families. Therefore, we should train more personnel so as to provide this reactor with optimum human capacities in order to benefit from all the possibilities it offers. Currently, there are fewer than 100 researchers and technicians; we should increase that number to 300 researchers, technicians, and engineers.

[EL MOUDJAHID] On several occasions, technicians and researchers mentioned their difficult working conditions. Have you considered taking care of their complaints?

[Minister] First, I would like to say that most of them were educated in Algeria, in universities and research institutes. We have 17 research centers, this is the 18th; in a way, it is the hard core. Its personnel was educated in Algerian schools and Algerian universities. I just promised them that we would very seriously consider the matter of their material living and working conditions. We must improve these conditions.

The Minister of Agriculture: 'Multiple Applications'

The impact on agricultural production is manifold. Applications to agronomic research are varied. To study problems of nutrition or fertilization, we often use fertilizers that have been rendered radioactive so we can see what happens to these elements in plant nutrition.

There are various applications in plant biology, in conservation, and even in seawater desalination.

If we can manage to control desalination costs through the use of nuclear energy, it will be extremely useful for agriculture, through many future projects, for instance, in irrigation. The only problem is one of cost. At any rate, as far as conservation or fertilization are concerned, applications have become quite common in certain countries.

This might happen in our country, too. If we put our agricultural economy in order. The center is there; so are the researchers, and the land close by; all we have to do is to create the environment required to mobilize these capacities and technologies in order to enable certain sectors to use nuclear energy.

Assessment of Rain Damage in Tamanrasset

94AF0073A Algiers ALGER REPUBLICAIN in French
15 Dec 93 p 3

[Unattributed article: "Following Bad Weather in Hoggar: 584 Houses Uninhabitable"—first paragraph is ALGER REPUBLICAIN introduction]

[Text] In In-Amguel and Ideles, the two areas of the Ahaggar region that were hit hardest by late November rainfalls, 584 houses showed cracks and are uninhabitable. This, according to the Tamanrasset governorate department of regulations and administration, is the final evaluation of the damage assessment commission.

According to the commission, four sectors were hit especially hard: housing, agriculture, water supply, and basic infrastructures.

Thus, 416 houses in Ideles and 118 in In-Amguel have become uninhabitable. As a result, governorate officials indicated, the Tamanrasset governorate initiated an emergency housing reconstruction program as part of communal development plans (PCDs) in order to cope with the emergency and provide housing for the homeless.

As far as agriculture is concerned, 120 hectares under irrigation were flooded, 70 motor pumps carried along by the deluge, and 100 range wells damaged. Hundreds of cattle, goats, and sheep were also lost.

The departments involved prepared an application to the National Natural Disaster Fund for any assistance and indemnities that may apply.

In the In-Amguel and Ideles areas, the drinking-water supply system was reported damaged over 3,000 meters, the discharge system over 850 meters. At In-Amguel, four drillings are deemed irreparably lost, and eight valves were carried along by the water.

The basic infrastructure sector, too, suffered extensive damage involving in particular 110 km of unpaved road,

three crossings, 65 km of road shoulder, and a long section of Highway No. 1 between Tit and In-Amguel.

The Tamanrasset governorate declared an emergency concerning the repair of damaged drinking water lines and unpaved roads, and decided to launch an emergency housing construction program making it mandatory, this time, to use local stone as building material instead of the "toub" that disintegrates every time it rains.

Note that the president of the Algerian Association for Maladjusted Children (AAPEI), whom we contacted by telephone, indicated that the association would start distributing food to flood victims in the In-Amguel and Ideles areas on Saturday.

EGYPT

Population Growth of 16 Million Projected by 2000

94AF0057A London AL-MAJALLAH in Arabic
9 Jan 94 pp 31-32

[Unattributed Article: "Egypt: A Newborn Every 25 Seconds; Population, 2.4 Million in 1801, Will Reach 94 Million by 2025"]

[Text] The population explosion is considered one of the biggest problems facing Egyptian society, with complex effects at the economic, social, and political levels. Grave problems are attributed to it, such as mounting terrorism and unemployment stemming from the scarcity of financial resources. The growth in population means the shrinking of cultivable land, in addition to mass emigration from the countryside to urban areas, and the accompanying negative factors with many-sided effects.

While the problem is not confined to Egypt alone, being an Arab and global problem, it is more serious in Egypt because of the rise in the unemployment rate, the lack of resources, and the drop in individual income.

The latest statistics released by the Central Statistics Agency show that the population of Egypt will be 73 million by the year 2000. The January census of last year counted 58,987,000 Egyptians, which was a 676,000 increase over 1992, registering a 1.2 percent increase in six months.

The statistics indicate that the rate of increase in recent years has risen to 1,229,000 persons per year, with a new birth every 25 seconds. The rate of population increase has thus reached 2.3 percent. Although this is still high, it is lower than it was twenty years ago, when it stood at more than three percent.

Population experts believe that the rate of increase has significant and serious implications for the future of mankind in Egypt. This population explosion translates into a further decline in individual income, thereby having an impact on standards of living, education, health, and many other vital issues.

Since taking power, President Mubarak has continued to warn of the dangers of the population explosion, and has urged Egyptians to use birth control. He has said that in 10 years Egypt's population has added the equivalent of the entire Arab Gulf region. He added that in the year 2000 the population will have increased by 12.5 percent. Where were the resources for handling this increase? If the population does increase by that much, investment flight will occur. The Egyptian workforce is 21 percent of the population, or 12 out of 59 million people.

It is worth noting that Egypt's population in 1801 was 2.4 million, increasing to 9.8 million by 1897. By 1992, it had reached 59 million, and is expected to jump to 94 million by 2025, making Egypt 17th in the ranking of the 25 most populous countries in the world.

Dr. Mahir Mahran, minister of state for population and family affairs, has rather different estimates, as he believes it is necessary to differentiate in the statistics between the population residing in Egypt—56 million—and those residing abroad, now nearly three million. He indicates that the number of births, despite the large increase, is considered to be in constant decline. The number of births last year was down 100,000 from 1985, so that it is expected that by 2000 the population figure will stand at 66 million.

The statistics touched on the increase in Cairo's population density rate, which the census showed to be 15 million people, at 23,688 people per square kilometer. Cairo thus occupies third place in growth of density, after Calcutta and Manila. It is not expected that the population of Egypt will stabilize until it reaches a hypothetical volume estimated at nearly 120 million. This number is more than double the present population, which is an indicator of the growth problems, the spread of poverty, and environmental and social deterioration.

Drop in Deaths

A study prepared by the Egyptian Consultative Council says that the death rate in Egypt began to decrease at the end of the 1940s. The total death rate was about 30 per thousand residents after the end of World War II, then dropped to 15 per thousand in the 1970s and 11 per thousand in the 1980s, and should reach six per thousand by 2025.

At the same time, the marriage rate has dropped. Reports indicate a drop in the marriage rate from 11 marriages per thousand residents in 1960 to about nine per thousand in 1987, with an increase in the rate of unmarried women who are at least 16 years old to above 20 percent, versus 12 percent in 1960.

Egypt ranks twenty-first among countries of the world in population growth, according to United Nations estimates, with a rate of population growth of nearly 2.4 percent between 1985 and 1990; it was 2.8 percent between 1976 and 1986. The average number of children born to one woman was 4.4 in 1992; it was six children

in 1965. Despite the fact that these numbers are viewed as remarkably positive when compared with what came before, they are still high rates that warn of danger.

Perhaps the comparison here is significant. In the United States, the average number of children born to one woman is two; in 1980 it was 1.8.

Possible Dangers

Egypt has had significant experience in birth control, one which has drawn many and varied criticisms since it began in the 1960s. It has encountered warfare, as well, from various quarters, and clashed with the customs and traditions of the majority of Egyptians, who view the process of birth control as forbidden. The agencies entrusted with birth control campaigns have endured much in their efforts to change this idea. Despite all the criticisms and obstacles, it may be said that positive results have begun to appear, as seen in a drop in the recent rates of population growth. The question of population growth, however, remains a grave one for Egypt and its development plans. The government relies primarily on awareness campaigns in all available agencies and media: television, radio, and posters which portray the benefits that may be reaped by families that use birth control, especially palpable economic benefits in the family's life, and positive health and beauty results for women who use birth control.

Many methods for handling the problem have been suggested, and are still being proposed. The recommendations of a group of housing experts in Egypt will not be the last. Most notable among these was a recent study by the Consultative Council. One of the most important of these recommendations was emphasis on improving conditions for women and supporting their participation in a variety of activities. Society strove for an increased rate of women's participation, from about 11 percent in 1987, to about 20 percent by the beginning of the next century, by preparing the proper environmental conditions so that women may play their role. Legislation that could limit women's positive initiatives should be amended; men should be prepared mentally and psychologically to accept women's role in society, with an end, in particular, to the exploitation of children and women; provisions of the labor code that limit the working age to be no less than 12 should be enforced; and a strict minimum should be imposed on the current marriage age.

In the health field, the study proposed action to decrease the death rate among nursing children by 50 percent from its current level, in line with the official estimates, which were about 45 per thousand births in 1987, along with the need for society to construct an ambitious family planning program, in the context of comprehensive development. This program will aim at reaching the figure of two children per family within 20 years.

The study dealt in particular detail with population distribution. It called for the establishment of new developed societies capable of absorbing about 15 percent of the population to about 10.5 million people by 2001.

The study emphasized the need to review the "New Urban Communities" policy, with the aim of investing 100 percent in them instead of 10 percent, especially in Egypt's present conditions, and providing the suitable elements of attraction to draw people to the new societies, while also studying the failure of established regions to absorb the population projected for them. It emphasized a link between population policy and economic and social policy as a means of promoting population policy in the development plan, and the need for the government to allocate budget funds for the population planning program.

There are many dangers facing Egypt should growth rates continue to rise this steeply. They are a growing strain on its resources, and, hence, a negative factor in the qualities and capabilities of its people. It also diminishes the standard of nutrition and health, education, and housing services in the necessities of life. Perhaps the problem in Egypt is even more threatening, for although there are nearly 37 projects to halt the population explosion, it is still a problem without a solution! There may have been a sign of hope, though, when Egypt was chosen as the site for the next World Population Conference this year.

OMAN

Budget Deficit for 1994 Over \$800 Million

94AE0064A London AL-HAYAH in Arabic 4 Jan 94
p 10

[Article by Husayn 'Abd-al-Ghani in Muscat: "One-Third of Allocations to Defense and Security; Austerity to Prevail in Government Outlays"]

[Text] The new Omani budget for 1994, announced late the night before last, shows a drop of more than 10 percent in the volume of government spending.

Oman's Deputy Prime Minister for Financial and Economic Affairs Mr. Qays Bin-'Abd-al-Mun'im al-Zawawi said that the volume of estimated spending for 1994 was nearly 2.033 billion Omani rials [RO] (or nearly \$5.285 billion) as against almost RO2.263 billion (about \$5.883 billion) last year. This is a decrease in public spending of RO230 million (about \$598 million).

Despite this drop, which the Omani official attributed to the delicate and complex economic conditions resulting from the fall in oil prices, the Omani budget's estimated deficit will approach RO301 million (or a little closer to \$800 million).

The estimated budget deficit is 17.4 percent higher than total revenues. This, an economic source told AL-HAYAH, "exceeds the limit set by the current five-year

plan (1991-95), which is that the deficit between total revenues and services may not exceed 10 percent of total revenues as a maximum."

Estimated revenues for 1994 will amount to about RO1.732 billion (about \$4.532 billion), a small increase over 1993's revenues, which did not exceed \$40 million [sic].

The oil sector occupied its traditional place in the structure of Omani income, with 76 percent of revenues, with all other non-oil sectors making up the remaining 24 percent.

Defense Outlays

It was striking that despite the sizeable drop in general expenditures, the defense and national security sector by itself commanded nearly a third of spending, with 30 percent of allocations of more than \$1.5 billion. AL-HAYAH has learned from a foreign diplomatic source that, despite economic rationalization measures, the Omani Government will not cancel arms deals signed last year with several countries, chiefly the deal to purchase 36 British Challenger-2 tanks.

Oman had to cancel a deal for the purchase of Tornado planes after the "mid-1980s crisis," which saw oil prices fall to less than \$10 per barrel.

Also, despite the marked decrease in current and recurring expenditure for ministries and civil departments, its share amounted to about 37.6 percent of spending. The government's commitment to the basic provision is guiding these expenditures; this is the government salary provision, of which the Omani deputy prime minister said when he announced the budget, "it is a right possessed by citizens, guaranteed under the law, and cannot be violated."

The decrease in "investment expenditure" spending was extended, with 21 percent of total spending, estimated at \$1.1 billion, or nearly \$700 million dollars less than estimated investment expenditures in last year's budget.

But Qays al-Zawawi believes that the drop in investments will not severely affect the volume of the program authorized in the five-year plan, especially for priority projects; nor would it affect the ability of ministries and government offices to start projects and enter into new commitments and contracts this year.

Announcement of Austerity Decision

Economic sources, however, expressed to AL-HAYAH their fears that the drop in government spending, especially in its investments, would lead to a slowdown in economic growth, and a return to the economic recession, as occurred in the wake of the 1986 oil crisis, from which it took the Omani economy nearly three years to recover.

The sources alluded, in this regard, to the "indirect decrease" not shown in the budget numbers, but confirmed by the first official government confirmation, reflected in the austerity decisions the government made in 1993 to deal with the public budget deficit.

Oman's deputy prime minister said in an exclusive AL-HAYAH interview last October that the government had adopted fiscal policies that included a cut in senior officials' allocations, a drop in compensation for work specialties that some groups in the government receive and in payment of 75 percent of the cost of employees' annual travel tickets, plus the cancellation of government rental of expatriate housing, granting [expatriates] instead a "lower rental allowance."

Economists tell AL-HAYAH that these measures might save the government more than \$100 million, but could lead to a recession in the country's flourishing contracting and furniture sectors, which primarily depended upon the government's rental and furnishing of housing for its expatriate employees.

Maintaining Reserves

Omani officials pointed out what seems to be a major source of concern to economic authorities here: that the scope of the deficit could lead to the exhaustion of the state's financial reserves, the reserves in the reserve fund, to which 15 percent of all oil revenues are transferred annually.

The huge tremendous excess in real expenditures in 1991 and 1992 on one hand and the nearly one-third drop in oil revenues in 1993, after the fall in oil prices on the other hand, could lead to a greater drawing down of the reserve accounts than was estimated in the five year plan for the first three years of the current plan (1991-1995).

In the current year, despite the fact that the basic principle "heeded in the budget was the creation of a balance, as much as possible, between resources and spending, and narrowing the gap between them. This would reduce dependence on drawing down the state's current reserves." More than 70 percent of the methods of funding and ending the budget deficit (nearly \$575 million) will come from making withdrawals from the state's reserve accounts."

Economic policies and Omani budget indicators are in line with the policies and indicators adopted and announced in the budgets of the other Gulf states such as Saudi Arabia and Kuwait, who reduced their budgets by nearly 10 percent as a result of the retreat in oil prices and revenues.

TUNISIA

Local Computer Companies Charged With 'Unfair Competition'

94AF0068B Tunis REALITES in French 6 Jan 94 p 10

[Article by Abou Mehdi: "Unfair Competition in Computer Industry"; first paragraph is REALITES introduction]

[Text] *The National Commission on Competition and Prices, which was established by Law No. 91/64 dated 29 July 1991 on that subject, has just been handed a complaint by a big international computer manufacturer against five Tunisian distributors. The charge: unfair competition.*

This is a first, and the subject is important because it has legal, economic, social, and cultural implications. Does a commercial company have the right to market hardware and software bearing the name of a big manufacturer if the latter has not expressly agreed and authorized it to do so? What are the duties of a computer service company? Is the approval granted by the Ministry of National Economy not sufficient?

The debate is of special interest domestically at the moment, considering that the economy is being privatized, laws regulating the distribution trade are being enacted, and consumer protection is becoming an increasing reality. But also internationally, considering that the GATT agreement has been signed and that it guarantees the protection of industrial, commercial, and cultural property. And using a manufacturer's brand image constitutes encroachment if an agreement has not been reached.

It is being noted more and more that the days of the exclusive privileges provided by "protected markets" are past and that there are coming to be fewer and fewer exclusive dealers. IBM has about five authorized dealers, Apple has three, and so on. But the multinationals impose their own distribution policies, "suggested" prices, and marketing methods. How can that be reconciled with the requirements of the Tunisian economy and the interests of the Tunisian end user?

The Tunisian market is a small one, but since it is growing rapidly and steadily and because it is liberal and open, it is experiencing sharp competition. That competition is reflected in a proliferation of computer companies, some of which stress the reputation for seriousness and innovation of the big brands that have built their enviable reputations by good performance, to be sure, but also by expensive advertising. Other companies, on the other hand, stress the quality of service and of their customer relations. And last, there are those whose prices are unbeatable—for example, five companies have distinguished themselves in recent months by their "low, low prices" while selling a major brand without authorization from the parent company.

The investigation launched by the parent company and the three authorized dealers has revealed the "how" of the operation: the five "pirate" companies were paying low prices for obsolete hardware with outdated technology from regional distributors in Belgium and elsewhere and then selling it in Tunisia at a low price and, especially, with no follow-up: no after-sales service. Their unfair competition has several aspects: use of the Apple-Macintosh logo, in some cases in conjunction with the famous apple design, failure to obtain proper authorization, failure to comply with the prices approved by the manufacturer, and failure to conform to the standard profile established by the manufacturer—that is, failure to guarantee maintenance and to meet installation standards. Since the complaint was filed, the companies in question have disappeared only to reappear under new names.

With those findings to back it up, Apple MCI, which is based in Paris and has the exclusive right to distribute hardware and software, decided, in agreement with the three authorized dealers and for the purpose of protecting the brand name and their interests, to file a complaint charging unfair competition. Major manufacturers select their dealers around the world very carefully on the basis of objective criteria arising from the nature of the sector of activity in question and ranging from product design, manufacturing standards, and marketing terms to the constraints inherent in the product's maintenance. In the case of computers, for example, each manufacturer—at least if it is one of the most reputable and popular ones—requires that its local dealer provide a site for displaying the hardware and a certain number of technicians and engineers for handling sales and after-sales service, including a repair facility with a minimum inventory of hardware, software, and spare parts enabling it to honor the guarantee and provide maintenance. To preserve its brand image among its customers, the manufacturer is concerned to provide follow-up service that will not harm its reputation.

"Help: prices are dropping" is a slogan that could very well be adopted by computer dealers. The computer industry experienced rapid growth in Tunisia and around the world in the 1980's, but it has spent the past four or five years in a deep crisis that has affected not only the manufacturers (IBM has laid off 50,000 employees) but also the service firms in Europe. The industry is characterized by rapid technological progress—and therefore by the rapid obsolescence of computers already manufactured and poor sales—and by rapidly falling prices, a situation that makes a quick inventory turnover necessary precisely because of the progress being made, with the result that computer dealers find their profit margins being eroded.

The consumer's interests are twofold when it comes to computers: he wants moderate prices with easy payment terms on the one hand and, on the other, good-quality service, meaning availability, training for the operating personnel, installation, guarantee, maintenance, advice, and so on. For the computer industry, lower prices are an

advantage for the consumer provided that there is no dumping or illicit increase. The lack of service to the consumer remains to be proven. The offense, on the other hand, resides in the absence of after-sales service, which harms the interests of the users. At a time when laws exist to protect the consumer and the ODC [Consumer Protection Office] is preparing to launch a vast awareness campaign in defense of consumer interests and rights, a complaint of this kind is extremely important. It is likely to set a legal precedent for other industries, for which reason the verdict expected on 6 January will attract the attention of all businessmen.

UNITED ARAB EMIRATES

Budget Holds Despite Drop in Oil Prices

94AE0062A London AL-HAYAH in Arabic 5 Jan 94 p 9

[Report by Shafiq al-Asadi: "A Move to Privatize Government Companies and Institutions. UAE Budget for 1994 Remains at Last Year's Levels Despite the Impact of Dropping Oil Prices"]

[Text] Abu Dhabi—Ahmad al-Tayir, UAE [United Arab Emirates] minister of state for finance and industry affairs, announced that the UAE federal budget for the current 1994 fiscal year will be near last year's budget of about 17.6 billion dirhams [UD] (\$4.8 billion) despite the strong impact on the UAE of softening oil prices and declining oil revenues. He also disclosed that the government is moving to privatize government companies and institutions, beginning with the Emirates Petroleum Company, in order to shed the burden of administering them and to pave the way for the creation of a capital market in Abu Dhabi.

Said al-Tayir: "The revenues of Abu Dhabi and Dubai, both of which contribute to the budget, have declined to a large extent in 1993 because of softer oil prices, which are expected to remain low throughout the current year. However, the two emirates are committed to not reducing their 1994 budget contributions from their 1993 levels. Federal government revenues from levies and investment returns will also remain at their 1993 levels since no new levies were imposed and because returns on investment did not rise due to lower interest rates on deposits.

"Federal government revenues from levies and returns on investment amounted in 1993 to about UD2.751 billion."

In an interview with AL-HAYAH and a small number of newsmen in conjunction with yesterday's meeting in Abu Dhabi of the Federal National Assembly (parliament), al-Tayir said that he expected the UAE federal budget to be issued soon and that the draft budget would be submitted to the council of ministers in its final form before the end of this month.

He disclosed that the draft budget is currently being discussed with the various ministries in order to trim down the appropriations they requested. He pointed out that the ministries have put in for UD20 billion in requested appropriations, which is UD3 billion more than the UD17 billion earmarked for the 1994 budget.

The minister fielded questions in yesterday's meeting of the Federal National Council [FNC] on the reasons for the delay in issuing the 1994 budget and in submitting it to the FNC two months before year-end as stipulated by the UAE provisional constitution. The reason for the delay, al-Tayir asserted, was that the various ministries were late in submitting their draft budgets to the Ministry of Finance and Industry by the end of last September as required.

He stated: "Four ministries submitted their draft budgets in October. Seven other ministries and government institutions, including the FNC, submitted their draft budgets as late as last November." He added that most ministries did not calculate their requirements in the 1994 budget in accordance with the guidelines issued by the Finance Ministry to keep expenditures in line with the volume of revenues.

That, he explained, caused the Finance Ministry to reexamine the draft budget and the projects it entailed in order to keep them in tandem with the resources available to the government, especially since revenues have been impacted by declining oil prices and lower returns on government investments. He emphasized that the Finance Ministry does not wish to [arbitrarily] impose its estimates of what the various ministries require but rather wants the budget to respond to the needs of the ministries.

He emphasized that the delay in issuing the 1994 budget has been covered with the promulgation of a Federal Decree authorizing expenditures as of the beginning of January at the rate of one twelfth of the 1993 budget.

Al-Tayir also emphasized that the 1994 budget would be "balanced," in that the budgetary deficit in 1994 will not exceed the 1993 gap of UD1.720 billion.

He explained that balance would be achieved in 1994 because the government has completed a number of one-time major projects that no longer require allocations for the current year. He pointed out that the government's focus in the past two years was on implementing power projects in the northern emirates at a cost of UD500 million and on constructing 2,000 low-cost housing units for citizens at a cost of 1 billion dirhams.

The UAE minister of state for finance and industry affairs disclosed that the government is moving to privatize a number of government companies and institutions as part of its plan to shed the financial and administrative burdens of managing those enterprises.

He stated that his ministry has proposed privatizing the Emirates Petroleum Corporation in two stages, whereby

49 percent of ownership would go to citizens in the first stage with public ownership ultimately rising to 100 percent.

He added that the proposal is currently under study and that the relevant decree has been issued by the Supreme Federal Council. He emphasized that it was no longer logical for the federal government to own companies and institutions when it has adopted a market economy.

However, sources at the Ministry of Petroleum and Mineral Resources emphasized to AL-HAYAH that it is premature to offer the Petroleum Corporation for public subscription by UAE citizens since the Council of Ministers' approval must first be obtained due to the Emirates Petroleum Corporation's status as a federal enterprise. The Corporation's accounts receivable and payable must also be settled [before it is put on the market].

The sources emphasized that the Corporation is in debt to the Abu Dhabi National Oil Company (ADNOC) which supplies it with petroleum products for distribution in the various emirates with the exception of Abu Dhabi, and that it is owed large amounts by the federal government as well as by some local governments and factories. The Corporation, founded in 1981 with a capital of UD400 million, distributes petroleum products in the UAE.

The Federal National Council in yesterday's session also directed a query at Yusuf Bin-'Umayr, UAE minister of petroleum and president of the Corporation, as to why the prices of petroleum products were higher in the Emirates than in other neighboring Gulf states. The Council had to postpone discussion of the subject because the minister was not present.

However, Ahmad Humayyid al-Tayir asserted that the Emirates Petroleum Corporation has repaid all its debt and has realized substantial profits in recent years; therefore making it feasible to offer its shares for subscription.

He said that the Corporation's stock would be offered for sale at reasonable prices at approximate book value as part of the government's strategy to provide citizens with a good investment climate. [The government followed the same strategy] in previous public offerings of certain organizations and companies such as the Emirates Telecommunications Corporation, the Emirates Airlines, and the Emirates Hotels Company.

He emphasized that the stock offerings would boost the number of stock companies and lead to the "official" creation of a capital market in the UAE.

Government Combats Market Fraud

94AE0062B London AL-HAYAH in Arabic 10 Jan 94
p 11

[Report from Dubai: "UAE to Compile a Blacklist to Combat Market Fraud"]

[Text] Federal and local authorities in the UAE [United Arab Emirates] announced plans to combat fraud and counterfeit now that they have promulgated several laws to safeguard the integrity of markets and commercial transactions.

At the conclusion of a seminar on commercial fraud held in Dubai, economic circles called for strengthening all laws and regulations dealing with commercial fraud and [urged] that they be reexamined in light of modern techniques against fraud, and especially those utilized for consumer protection.

The seminar, attended by representatives of various government agencies in the UAE, called for blacklisting merchants and producers who resort to fraud in marketing their products to the detriment of consumers. They advocated the compilation of a blacklist of unworthy products and called for comprehensive coordination among all concerned agencies, be they federal or local, in order that they may take more effective measures to implement the laws to suppress commercial fraud, and to institute penalties, or modify them, in a manner that would deter all marketplace cheaters.

They emphasized the importance of creating channels of communication among the various agencies concerned with international economic and commercial fields, the exchange of information, and studies. These agencies include local, foreign, and joint chambers of commerce, banks, and international organizations concerned with prosecuting marine fraud. [They also called for] opening channels to exchange information on agreements with overseas entities, and especially those with which the volume of trade is substantial.

The Ministry of the Economy, represented by Undersecretary 'Abd-al-Ra'uf al-Mubarak, emphasized at the seminar that commercial fraud is a phenomenon alien to society and runs counter to religious precepts that call for honesty in dealing. He added, however, that all commercial markets in the world suffer from the phenomenon of commercial fraud, which impacts markets negatively, causes imbalances, creates a degree of chaos, and denies the market its bulwark of honesty and confidence that deals will be fair. He called for wider cooperation between the ministry and chambers of commerce, municipalities, and customs agencies in order to blunt that phenomenon and protect consumers.

The Abu Dhabi Chamber of Commerce and Industry, in a study presented at the seminar, attributed the phenomenon of fraud in UAE markets to the expansion of commercial operations in the state after the completion of infrastructure projects; to the diversity of commercial activity and market openness to various foreign products; to some contractor changeovers to trading in goods and products; to the lack of awareness among some consumers who rush to buy cheap products without considering the ramifications of using them; the lack of merchant familiarity with, and understanding of the need to abide by laws that regulate commercial activities in the state such as the

Company Law, the Commercial Agency Law, the Law to Suppress Fraud and Deception, Criminal Law, and Commercial Transactions Law; and the fact that those merchants do not consult with the relevant authorities before initiating all commercial transactions.

The [Chamber] added that some of the reasons for the phenomenon are that certain merchants exaggerate the prices of certain brands of goods and products, the flight of consumers to cheaper look-alike goods in the belief that they are of equal quality, dealing with exporters and companies before verifying their validity, and opening letters of credit without adequate protective stipulations.

The Dubai Chamber of Commerce argued in another treatise that fraud extends to three areas—goods; documents such as letters of credit, invoices, and bills of lading; and fraud involving marine shipping and its regulations. It advised importers to avoid being victimized by fraud by securing adequate data on producers and exporters from chambers and centers of commerce, from their bankers, or from delegations that visit the Chamber of Commerce. It further advised importers not to rely on foreign company sales representatives who visit the country and not to be taken in by appearances put on by the exporter or its sales representative. The importers were further urged to ascertain the status of local agents, if they handle the transactions, and their relationships with exporters.

The [Dubai Chamber] said that in order to guarantee that the goods arrive in sound condition as specified, importers must ask shipping company representatives or agents at ports of loading or unloading to audit and scrutinize stipulations and determine which organizations are to carry out inspections and issue certificates of inspection. They were also admonished to deal with domestic shipping companies whenever possible or with regular shipping lines which, preferably, have agents in the region; avoid shipping on chartered vessels; insure the goods with domestic insurance companies; and avoid using the fleets of countries that allow open registry.

The Chamber also called upon importers when opening letters of credit to be sure to record the specifications of the goods in detail and exactly as they appear on the purchasing contract; not accept bills of lading issued by shipping expeditors and insist on shipping documents issued by the original marine shipper on its stationery; and to tap the services offered by international agencies involved with fraud.

The Municipality of Abu Dhabi said in its study, however, that fraud is connected with the large-scale import of foodstuffs into the UAE and with the [related] laws and laboratories. It recommended, for the containment of that phenomenon, encouraging domestic food production and processing operations which would make it easier to thoroughly oversee all stages of production and therefore ensure that products are received by consumers in good condition; cooperation among relevant agencies, unification of decision and regulation issuing bodies, and the

expediting of uniform standards and laws governing foodstuffs in the country; raising consumer awareness through information media; encouraging public service associations to expand their activities by supporting them morally and materially; and tightening oversight at gateways through which foodstuffs flow into the country.

The Federation of UAE Chambers of Commerce asserted that the government has issued enough laws and regulations to contain the phenomenon of commercial fraud but that legislative containment is not in itself [capable of accomplishing the task] and must be supported by an analogous solidification of effort by all entities concerned with information, security, and economic affairs, each in its area of specialization.

Deficit Falls in 1994 Federal Budget

94P50096A London AL-HAYAH in Arabic 6 Feb 94 p 9

[Text] Abu Dhabi—The deficit in the proposed UAE [United Arab Emirates] budget for 1994 has decreased in spite of the decrease in oil revenues as a result of lower crude oil prices.

Ahmad Humayyid al-Tayir, minister of state for finance and industry affairs, disclosed that the deficit in the federal government's budget will decrease in 1994 by 322.6 million dirhams [UD] to UD1.3972 billion (\$380 million) compared with UD1.720 billion (\$468 million) in 1993. Al-Tayir stated that his ministry had passed the proposed draft budget along to the Council of Ministers that the Council will discuss tomorrow, Monday.

The 1994 budget is estimated at UD17.6172 billion (\$4.8 billion) compared with UD17.6309 billion (\$4.804 billion), or an increase of only UD13.7 million (\$4 million dollars). [sentence as published]

However, the important development that al-Tayir disclosed is the increase in private revenues in the federal government's budget for 1994, estimated at UD300 million (\$81.7 million) more than 1993 revenues of UD15.911 billion (\$4.335 billion), or UD16.22 billion (\$4.420 billion) in the current year.

The minister did not disclose the sources for this increase in the new budget's resources, but financial sources indicate that a potential increase of private revenues for the government ministries and institutions is from fees and taxes that they receive from services offered to citizens. These are basically concentrated in the health, electricity, water and internal customs sectors. The electricity minister recently announced an increase in the electricity tariff to cover a large part of [the ministry's] losses. Abu Dhabi and Dubai, the largest Emirates in the state, participate in the federal budget with about 90 percent of its total resources, according to an agreement reached on this matter in 1979.

The figures disclosed by the minister of state for finance and industry indicate that Abu Dhabi's and Dubai's participation in the 1994 budget did not decrease from that of 1993 despite the decrease in oil prices.

INDIA

Commentator Discusses Relations With U.S.

94AS0183A Madras *THE HINDU* in English 16 Dec 93
p 8

[Article by Prem Shankar Jha: "Indo-U.S. Relations at Crossroads"; quotation marks as published]

[Text] First there was the U.S. successful bid to stop the sale by Russia of cryogenic rockets to India. Then came Mr. John Malott's speech telling India how it should conduct its domestic and regional policy, which was remarkable not for its content but its eschewal of a two-year epoch of private diplomacy that was the best indicator of warming Indo-U.S. relations, and a return to public postures and rhetoric.

Then came Ms. Robin Raphel's extraordinary remark that the U.S. no longer believed that the Simla agreement provided a framework for settling the Kashmir dispute, because very few discussions had taken place under the agreement in the past 20 years. One could say as much about the border between the U.S. and Mexico.

We will pass over Ms. Raphel's gaffe on the Instrument of Accession: A close look at the text of her statement shows that she was caught unawares and did not realise the full implication in international law of what she was saying. But only days later we heard that the Administration intends to withdraw the Pressler amendment and replace it with a new comprehensive foreign aid law that will apply the Pressler-type restrictions to all non-NPT (Nonproliferation Treaty) countries and even those signatories (read China) that are seeking to expand their nuclear arsenals. India will, of course be included in the first category.

And, as if our cup of woe was still not full we had to listen to Mr. Shattuck, Assistant Secretary of State for Human rights, who told an Indian newsman that the U.S. disapproved of India's Human rights record in Kashmir, and did not believe that a nation's right to put down insurgency excused, let alone justified, some abrogation of these rights.

At any normal time, such sustained, public arm-twisting, would have signalled a deliberate decision by the U.S. to replace cooperation with pressure as the basis of dealing with India. But are these times normal in the U.S.? Are the postures it is adopting, not only towards India, but towards China, Japan, the EEC, and the United Nations on various issues, sustainable? Above all, do the pronouncements coming out of Washington reflect carefully worked out foreign policy positions, or are they products of 'Gung Ho activists in the foreign policy establishment shooting from the hip'?

The truth lies somewhere in between. And this is presenting New Delhi with a foreign policy dilemma that it may understand but has, clearly, not been able to resolve. So far New Delhi has carefully refrained from any public

posturing and its communications with the U.S. have been carried on strictly within diplomatic channels, (although paraphrased in the press). The tone of its communications, except on the issue of the Instrument of Accession, has also been markedly moderate.

This would have been the correct response, had the U.S. got its foreign policy act together. But if its policy is being made largely by individuals shooting from the hip, then moderation is just the wrong attitude to have adopted, for it has made India appear defensive on issues like Human rights, Kashmir and to a lesser extent, NPT, and has encouraged activists like Ms. Raphel and Mr. Shattuck to think that they can push this country around, a belief that Ms. Raphel has not bothered to hide.

The truth is that just at this moment the U.S. does not have a clearly articulated foreign policy, except in one or two areas such as supporting economic reform in Russia, de-nuclearisation (again mainly in the former Soviet Union), and freer trade. Two of even these have gone grievously wrong with the elections in Russia.

Outside these core areas, the Clinton administration has only vaguely formed attitudes pushed by public opinion manipulated by the media, whom Secretary of State, Mr. Warren Christopher has described somewhat querulously as the aspiring North Star of American policy.

Thus it does not like Human rights violations; it wants all countries to sign the NPT, and put their facilities under fullscope safeguards; it wants a cleaner environment, and it reserves its right to use bilateral trade pressure to secure concessions in selected areas of trade, notably intellectual property rights. It wants global stability, brokered by itself and the NATO where it feels it more directly threatened, and according to the U.S. permanent Representative to the U.N., Ms. Madeleine Albright, by the U.N., which it considers a junior partner, where it does not.

India could not fail to be at the receiving end of nearly all these concerns, despite the fact that it shares most of them, because any attempt to force one country's views and 'solutions' on another, ends by denying the latter a large part of its sovereignty. In effect the message being sent to India is 'join us and we will look after you; resist us and we will press down on and eventually hurt you.'

The choice might have been a real one if these concerns had reflected deeply felt convictions and not just vague attitudes. But this is far from being the case. On Human rights no less an organisation than the American Human Rights Watch has condemned the Clinton administration of adopting double standards, pressing for their observance where no other national interest is involved, and giving them the go by when there is. It has specifically indicted Mr. Clinton's record in this respect towards Israel as being worse than Mr. George Bush's.

The U.S. has adopted double standards in a more fundamental way: In Somalia its helicopter gunships blew away somewhere between 150 and 300 Somali

civilians in a retaliatory attack designed to kill Aideed, for the killing of a single U.S. soldier by one of his gunmen. The U.S. spokesman said that in such an operation there were no innocent bystanders. And when Mr. Keith Richburg of the *Washington Post* investigated the casual killing of a Malaysian CARE worker by a U.N. patrol while he was out buying his lunch, the U.N. command said 'Guerillas fire from crowds. They use women and children as human shields. There are bound to be civilian casualties when U.N. troops fire back in self-defence.' Does that sound familiar Mr. Shattuck?

On the role of the U.N. as a world policeman, realism, burst the media's pipe-dream of a new world order when none other than President Clinton decided to pull U.S. troops out of Somalia after the killing of 18 soldiers, and to start political talks with Aideed and the other warlords. Within the U.N. Secretariat, disillusionment with the forward policies that have been thrust on the organisation by the rich nations in the heady afterglow of the Gulf War is complete. There is a total consensus that the U.N. must not undertake any more military actions under the mandatory chapter 7 of the U.N. charter, and that even supervisory or humanitarian actions under chapter 6, will not be possible if national contingent commanders do not place themselves unreservedly under the U.N. commandant. Ms. Madeleine Albright's September dream of U.S.-U.N. partnership is already light years out of date.

The administration's lack of commitment reflects an even more profound lack of interest in the American public. In civilised drawing rooms from Washington to Cambridge, no one is talking about foreign policy. What true American liberals are appalled about is the crime bill that has been rushed through Congress. Children over 13 will now be treated as adults and can be sentenced to death mandatorily on as many as 19 (or is it 29) counts. The passage of this bill has focussed attention as nothing else could have on the internal social problems of the country—the growing racial divide, the violence, crime and decay in the inner cities; the growing inequalities in health care, the fact that a large part of the population has grown poorer in the Eighties and Nineties; the rise in highly educated white collar unemployment, and the deterioration in the status of blue collar workers all over the country.

These are Mr. Clinton's real worries, and he has unabashedly little time to spare for a foreign policy that is no longer rooted in an acute sense of national insecurity. But the foreign policy establishment is a leftover of the old days when this was where the best and the brightest went. Activism is therefore part of its very blood. But it is now activism without a guiding beacon, or a steady restraining hand. So every one is shooting from the hip. New Delhi may choose not to shoot back but it must show that it has little respect for Washington's cowboys. And, it must rebuild its relations with China.

Commerce Minister's Statement on GATT Viewed 94AS0183B Madras *THE HINDU* in English 17 Dec 93 p 6

[Article: "India Has More To Benefit From GATT Treaty"]

[Text] New Delhi, Dec. 16. The following is the text of the statement made by the Union Minister of Commerce, Mr. Pranab Mukherjee, in Parliament today.

The Uruguay Round talks have been concluded last night and an overall agreement covering trade in goods, trade in services, trade related intellectual property rights, trade related investment measures, trade in textiles, and trade in agricultural commodities has been crystallised for adoption and ratification by the Governments of the 117 countries which have been involved in the negotiations. As the Government has clarified on more than one occasion, in both Houses of Parliament, India has been a consistent supporter of an orderly multilateral trading system. Such a system confers the benefits of Most Favoured Nation (MFN) treatment to all members, benefits of reduced tariffs and increased market access and the protection of a Multilateral Dispute Settlement Mechanism.

It is expected that the successful conclusion of the Uruguay Round will result in significant expansion in world trade as a result of which India should be able to increase its own exports by \$1.5 billions to \$2 billions annually in addition to the normal growth. The reduction in export subsidies on agriculture by developed countries will make Indian agricultural exports more competitive in world markets. It may be mentioned that despite their strong reservations regarding permitting the import of rice, even countries like Japan and South Korea have agreed to allow market access for rice to other exporting countries. As I had informed the House in the course of my reply to the discussion last week, taking the product and non-product agricultural subsidies together, India's aggregate subsidy works out to a substantial negative figure thereby providing a very large scope for further augmentation of agricultural subsidies if the Government were to choose to raise the subsidies from the current levels. The proposed agreement provides for a subsidy level of 10 per cent of the value of the agricultural produce which is far higher than the current negative level of subsidy. The agreement has also clarified that consumer subsidies under the Public Distribution System for the rural and urban poor are outside the scope of disciplines and our PDS system can thus be continued without any difficulty.

While we would give reasonable protection to plant breeders new develop how plant varieties under the Agreement, the rights of farmers and researchers will also be fully protected. As I have already clarified in the House, in the "sui generis" legislation which is being drafted for this purpose, the interests of our farmers will be safeguarded.

As stated by me earlier in the House, the agreement does not place any explicit obligation to patent naturally occurring genes and gene sequences. I am already on record that Government do not intend to permit patenting of naturally occurring genes and gene sequences in the patents legislation which would have to be instituted in 10 years after coming into force of the proposed agreement.

While India had initially not been in favour of inclusion of Trade Related Intellectual Property Rights in the scope of the Uruguay Round, it had ultimately to go along with the rest of the world community. A country like ours, which does not presently recognise product patents in the field of drugs, food products and chemicals, has been allowed a transition period of 10 years for establishing a product patent regime for such items. If we were to opt out of the new agreement, the possibility of our major trading partners insisting upon a much earlier introduction of product patents on the threat of imposition of restrictions on the export of our goods into their markets cannot be ruled out. Members may be aware that under such pressure some developing countries very recently decided to introduce an entirely new patent regime in accordance with the wishes of some developed countries to safeguard their market access to those countries. I had also clarified in the House that the fears regarding an inordinate rise in the price of patented drugs after the introduction of product patents are not quite justified because under the agreement, the government would be able to undertake compulsory licensing for non-commercial public use as well as to prevent situations of either inadequate availability or exorbitant pricing. Besides, the Government retains the right to institute price control on drugs.

As regards the agreement on Trade Related Investment Measures, the position is that the Government retains its sovereign right to decide what type of foreign investment it wishes to allow into the country. Conditions can also be imposed regarding fulfilment of export obligations to balance the outgo and inflow of foreign exchange by such ventures. The only requirement under the agreement is that once a unit has been allowed to come into the country it will be treated at par with other indigenous units in terms of regulations and policies.

As regards textiles, though we are unhappy with the extension of the quota regime by importing countries for another 10 years and unsatisfactory annual rate of enhancement of the import quotas, it has to be recognised that the commitment to finally phase out the quota regime after 10 years is a positive gain for textile exporting countries, including India. In the final hours of the Round, an attempt was made by some industrialised countries to alter the textile agreement of the draft final Act to our disadvantage. The argument given was that India, while benefiting from the open trading system and in spite of being competitive in textiles, had kept its market closed. Forceful suggestions were made that we should open our market also on a reciprocal basis. We took the position that the multi-fibre agreement was a

derogation from GATT (General Agreement on Tariffs and Trade), and the integration of the Textiles trade into GATT was not something that required any contribution from us. We sustained our position in spite of concerted demands on us. We also successfully resisted concerted moves to extend the period of integration of textile trade from 10 to 15 years by taking a strong position on the issue.

The Standing Committee attached to the Commerce Ministry, which had gone into the implications of the Dunkel Draft in great detail, has recommended in its report, that while all efforts should be made to safeguard India's interests in key sectors of agriculture, textiles, services and Intellectual Property Rights, at the end of the day, India should remain a part of a multilateral trading system rather than opting out the same and getting totally isolated from the rest of the world.

On the whole it is our considered judgment that India has more to benefit from the expansion of world trade through the Uruguay Round Agreement rather than pursuing any alternative course of action.

Correspondent on U.S. South Asia Policy

94AS0184A Madras THE HINDU in English 30 Dec 93
p 9

[Article by K.K. Katyal: "U.S. Policy Review Sees No Change"; quotation marks as published]

[Text] New Delhi, Dec. 29. Contrary to the belief here, the U.S. Administration maintains that its policy on South Asia remained consistent in 1993 despite the change in presidency.

According to an official year-end review of the U.S. relations with the Indian sub-continent (details of which are available here), most of the themes sounded by the Clinton Administration on "South Asia—nuclear non-proliferation, democracy-building, human rights, free trade and economic reform—echo the policies set in place by his predecessor, George Bush." That is because, it says, these broad goals best define American interests in the post-cold war world and are particularly relevant to South Asia.

Indo-Pak. tensions: The historic tensions between the region's two strongest countries, India and Pakistan, the review notes, have become far more troubling in recent years, now that both are widely considered to possess a nuclear weapons capability. Added to the volatile mix is the ongoing instability in Afghanistan, where security risks have prevented the United States from reopening its embassy. The breakup of the former Soviet Union evoked a wholesale re-evaluation in Washington of U.S. relations with the former eastern bloc, but its effect on U.S. South Asia policy has been subtle. In the Presidency of Mr. Bill Clinton, the changes, it is pointed out, have come in the degree of emphasis placed on particular issues.

It cites the views expressed by the U.S. Assistant Secretary of State, Ms. Robin Raphel, and other officials from time to time that the State of Jammu and Kashmir is a "disputed" territory. Questioning the suggestions in sections of South Asian media, "for largely parochial reasons" that the Clinton Administration had modified the South Asia policy, it quotes the following remarks of the State Department spokesman in November: "As we have noted consistently since 1947, the U.S. believes the entire geographic area of the former princely State of Jammu and Kashmir is disputed territory. The U.S. believes the best way to resolve the dispute over Kashmir is through direct discussions between the Governments of India and Pakistan as envisioned in the (1972) Shimla agreement, taking into account the wishes of the Kashmiri people."

Delhi sees new elements: As seen in New Delhi, the Clinton Administration introduced new elements in its South Asia policy, with recurring references to the "wishes of the Kashmiri people" and its willingness to help resolve (in other words, "mediate") the problem if desired by the two sides.

The debate over the possible scrapping of the Pressler Amendment is summed up thus: "Another U.S. policy that is likely to provoke regional opposition but remain unchanged is the suspension of U.S. aid to Pakistan. The 1985 Pressler Amendment to U.S. law requires that aid to Pakistan be withheld unless the U.S. President can certify that Islamabad does not possess nuclear weapons capability. The Bush administration revoked Pakistan's certification in 1990, and the aid cutoff has remained in effect ever since. Although the Clinton White House indicated in 1993 an interest in removing 'country-specific' language from the foreign aid law to allow presidential discretion in such decisions, the principle that underlines the Pressler Amendment continues to be upheld. As a result, the aid cutoff can be expected to continue until Pakistan's nuclear programme ceases to be of international concern."

Priority for non-proliferation: Citing Mr. Clinton's address to the U.N. General Assembly that he had "made non-proliferation, one of our nation's highest priorities," the review describes how that official message was brought home during an October State Department briefing, with the statement that the U.S. was "particularly concerned" about the proliferation of weapons of mass destruction in regions such as South Asia. "We have ongoing, senior-level discussions on this issue with the Governments of Pakistan and India and we will continue to urge both Governments to undertake direct, high-level discussions on this and other issues dividing them, including Kashmir."

Among the "good news" were the decision by India and Pakistan to resume official talks and the elections in the two countries, according to the official document.

The Pakistani elections, according to the review, were widely hailed as having been the freest and fairest in its

history with some observers suggesting that the process may have given birth to a genuine two-party system.

The significance of the Assembly elections in India was spelt out thus: "Hindu-Muslim tensions heated up with the December 1992 destruction by Hindu nationalists of the historic mosque of Ayodhya, and riots which left hundreds dead. Tensions were further heightened by a bomb attack in downtown Bombay and the siege by Indian security forces of the sacred Hazratbal mosque in Kashmir, where Muslim militants had barricaded themselves. Those and other events led many to predict that Indian politics would become increasingly fractious and polarised by religious extremism. Instead, voters in India's recent elections largely rejected the BJP (Bharatiya Janata Party) Hindu nationalist party. The election results were widely interpreted as a reaffirmation of India's status as a modern, secular State."

"In a positive move that was lauded by the U.S. and international organisations, the Indian Government agreed this year to allow human rights observers to enter Kashmir and investigate reports of abuses committed by New Delhi's security forces," the review said.

Yeltsin Renews Invitation to Rao To Visit Moscow

94AS0183G Madras *THE HINDU* in English 30 Dec 93 p 9

[Article by K.K. Katyal: "Yeltsin Renews Invitation to Rao"]

[Text] New Delhi, Dec. 29. The Russian President, Mr. Boris Yeltsin, has repeated his invitation to the Prime Minister, Mr. Narasimha Rao, to visit Moscow—and proceeding from that, officials of the two Governments are working on plans for a trip in May. This will be the first visit by an Indian Prime Minister to Moscow, after the disintegration of the Soviet Union. The last trip at that level was by Mr. V.P. Singh in 1990 when Russia was not a separate republic.

Another symbolic gesture, contemplated now, envisages telephonic talk between the two leaders on the newly-established direct line between Delhi and Moscow.

A spokesman of the Russian Embassy confirmed that Mr. Yeltsin had written recently to Mr. Rao, but said he would not be able to give the contents or the gist of this confidential communication. Russia, he however, stressed, regarded Kashmir an internal problem of India and supported its territorial integrity. In this context, he said there was no change in the Russian Government's stand.

According to details of Mr. Yeltsin's letter available from diplomatic sources, Kashmir and Indo-Pakistan relations figured in it along with several other issues of bilateral interest. In Mr. Yeltsin's opinion, it was impossible to achieve true security in South Asia, without normalising relations between India and Pakistan.

Russia, he said, welcomed the resumption of dialogue between these two countries and considered it of utmost importance.

It was his hope, Mr. Yeltsin said, that the two countries would demonstrate goodwill and constructive and well-considered approach in regard to their current problems, including Kashmir. Stressing the importance Russia attached to India's territorial integrity, Mr. Yeltsin said that it was a "must" not only for the region, but for the world as a whole. That was Russia's principled position and it, according to Mr. Yeltsin, had been conveyed to Pakistan.

The letter, it appears, noted with satisfaction Pakistan's decision to give up its plan for moving a resolution in the U.N. on human rights violations in Jammu and Kashmir. Russia, he said, regarded it a step in the right direction. Mr. Yeltsin approvingly noted the additional steps taken by the Government of India to ensure prevention of such violations. This, perhaps, was a reference to the establishment of the Human Rights Commission, intended to probe allegations of excesses by the security forces and other law enforcement agencies, and the decision to allow international human rights organisations to visit Kashmir. Mr. Yeltsin also expressed satisfaction over the handling of the Hazratbal crisis.

The letter referred to the problem of trans-border terrorism—in the context of the activities involving Afghanistan and Tajikistan. India which is a victim of this phenomenon and has been drawing attention of the international community to Pakistan's role in instigating terrorist violence in the Kashmir Valley, would certainly have derived comfort from Russia's views, though expressed in a different context.

Kashmir Pandits Hold 1st World Conference

94AS0183F Bombay THE TIMES OF INDIA
in English 28 Dec 93 p 8

[Article: "Kashmiri Pandits' Conference: Centre Urged To End Callousness"]

[Text] New Delhi, Dec 27 (PTI). The first ever world Kashmiri Pandits' conference got under way here with prominent speakers, including the former Jammu and Kashmir governor, asking the government to give up its "callous" attitude and wake up to Pakistan's designs of carrying out a cultural and ethnic genocide in the valley.

The two-day conference has been organised to highlight the "criminal silence" of the government and national and international human rights organisation to "systematic ethnic cleansing" being carried out in the Kashmir valley.

The conference being attended by over 10,000 delegates from all over the world was inaugurated by His Holiness Rimpoché, chairman of the assembly of Tibetan People's Deputies, who said it was the bounden duty of the

new generation of Kashmiri Pandits to save the rich Kashmiri culture which was facing threat by foreign-sponsored terrorism.

Mr Rimpoché stressed on rich cultural ties between Tibet and Kashmir for generations and wanted these to be revived and rekindled. He said the emphasis now was on government to bring an end to violence in Kashmir and get the Pakistan occupied part of the Jammu and Kashmir vacated of illegal occupation.

Mr Rimpoché on the occasion presented the Sharada awards to seven people, including cinestar, Mr Anupam Kher, former governor of Jammu and Kashmir, Mr Jagmohan. The other awardees were late Girilal Jain, the late Dina Nath Nadim, an eminent Kashmiri writer and poet, Dr Ved Kumari Ghai who has translated ancient Kashmir scriptures Nilmat Purana, Pandit Bhajan Spopori, the santoor maestro and 'Kashur Samachar,' the local Kashmiri paper.

Mr Girilal Jain award was received by his widow, Mrs Sudarshan Jain and Mr Dina Nath Nadim award by his son Ahimsa Kaul.

Speaking after receiving the award, Mr Jagmohan expressed his sadness at what he called "continued neglect and callous and cruel attitude of the government" to the plight of Kashmiri Pandit migrants.

Mr Jagmohan who was given a standing ovation from the packed auditorium said Pakistan was carrying out a cultural and ethnic genocide in Kashmir.

He said organisation like Panun Kashmir was fighting a subversion which if not checked now could engulf the whole country.

Mr Jagmohan patted the Kashmiri Pandit community for "not singing songs of despair" and said their energetic efforts would overcome all the obstacles as they were fighting for truth and a cause which is right.

He described as noble and warm gesture the presentation of the award to him and said it would for him be a symbol of great association with a great community of the country.

Most of the opening day's deliberations were devoted to keeping the Kashmiri culture and art alive. On the occasion, an exhibition of Kashmir Art in exile was also held.

The contributing artists were the famous Kashmiri painter, the late Bansi Parimoo, whose paintings on recent happenings in Kashmir was on display.

Other contributors include eminent artists, Kuldeep Khosa, Manohar Kaul, Rajinder Tickoo, a sculptor of repute, Bhushan Kaul, Veer Munshi, Krishen Kaw, M.K. Bhat, Gokul Dembi, Ms Laxmi Khosa, Anjali Kaul, Hema Kaul and Kishore Kaul.

In the evening famous singers and artists from Kashmir led by santoor maestro, Bhajan Sporoi, gave a recital of Kashmiri folk and contemporary music.

Rao Announces New Rules for Assembly Polls

94AS0183D Hyderabad DECCAN CHRONICLE
in English 23 Dec 93 pp 1, 5

[Article: "PCC, DCC Presidents Barred From Polls"]

[Text] New Delhi, Dec. 22: The Congress president and Prime Minister, Mr P.V. Narasimha Rao, on Wednesday announced that presidents of Pradesh and District Congress Committee [PCC and DCC] would henceforth be not allowed to contest the Assembly elections.

The party rules in this regard would soon be amended, Mr Rao said, while addressing a meeting of the Congress Parliamentary Party (CPP) here on Wednesday morning.

The Congress president said: "If they (PCC and DCC chiefs) (Pradesh Congress Committee, District Congress Committee) want to contest the Assembly elections, they should resign the party post first."

Coming down heavily on PCC and DCC presidents, Mr Rao said, amid the thumping of desks by members that party posts should not be treated as 'stepping stones.' "It was a wrong practice on the part of the PCC and DCC chiefs to contest the elections and thereby confine themselves to their own constituency. They should rather volunteer not to contest and work for all party candidates," he added.

Mr Rao said if the PCC and DCC chiefs worked for all the candidates contesting the elections they themselves could become MLCs (Member of Legislative Council) or fight the next elections.

The Congress president concentrated his attention mainly on the States going to polls next year, like Andhra Pradesh and Karnataka, and stressed the full involvement of the party MPs (Member of Parliament) in explaining the policies and programmes of the government.

He said the pattern adopted in the last month's Assembly elections in the northern States, sending district and State-level observers three to four months before the elections to work for the party, would be followed in the States going to polls in the next year.

With regard to Andhra Pradesh, Karnataka and other States, where elections are due next year, State-wise in-depth study would be undertaken and corrective actions would be taken. He had expected that the PCCs and DCCs would take up this responsibility, but from the feedback he had this has not happened so far.

Mr Narasimha Rao said from now on the MPs of these States should work out a methodology to face the challenges in the coming elections. In the next few days, he would like to meet as many party MPs as possible from

these States for a general assessment of the political situation in their respective States and to evolve a strategy to be adopted by the party.

Stating that the situation in the southern States going to polls was different from northern States, the Congress president analysed the problems the party has to face in Andhra Pradesh and Karnataka, such as internal squabbles and the phenomenon of regional parties. The party's approach has to be totally different if the Congress has to win against the regional parties. Another factor which the party has to take note of is the attempts of the Bahujan Samaj Party (BSP), headed by Mr Kanshi Ram, to cut into the Dalit vote bank of Congress. The BSP stands no chance of coming to power, but it might be able to cut into the votes of the Congress.

He said in the normal course it was not easy to defeat the Congress, which has a vote bank of 40 to 47 per cent of the electorate. But, in a situation, where other parties forge a united front with the sole objective of defeating the Congress or where other parties raise religious and caste factors, the party has an uphill task of politically facing the challenges.

To face such a challenge, the Congressmen and party MPs should explain to the people the adverse impact that would have if the Congress is defeated and the Opposition combine is elected. The people should be educated on the fact that the combine would disintegrate and there would be anarchy in the country and hence it is not in their own interest and the country's interest to elect such Opposition-combine. The people should be educated how development would be relegated to the back seat if the Congress was not returned to power.

Briefing reporters on the meeting, the Congress spokesman, Mr V.N. Gadgil, said the Prime Minister was the only speaker at the meeting. The report of the Joint Parliamentary Committee (JPC) on the securities scam did not figure at the meeting.

Gopalsamy Leads Split in DMK in Tamil Nadu

94AS0183E Hyderabad DECCAN CHRONICLE
in English 27 Dec 93 p 1

[Unattributed article: "DMK Splits"]

[Text] Tiruchirapalli, Dec 26 (UNI): The Opposition Dravida Munnetra Kazhagam (DMK) in Tamil Nadu formally split on Sunday, with the parallel "general council" meeting of the party convened here by expelled rebel leader V. Gopalsamy, MP (Member of Parliament), and his supporters declaring that theirs was the "real DMK."

Today's split, the third the party's 44-year-long existence, came at the end of a three-month-long acute leadership struggle and in the wake of a sensational disclosure of an alleged Liberation Tigers of Tamil

Eelam (LTTE) plot to assassinate party president M. Karunanidhi and promote the interests of Mr Gopalsamy.

The 48-year-old firebrand politician, Mr Gopalsamy, who had vowed to "liberate" the DMK from the clutches of Mr Karunanidhi's "dynastic rule," announced that today's meeting "relieved" Mr Karunanidhi and general secretary K. Anbazhagan, among others, from their posts.

Announcing far-reaching changes in his new party, Mr Gopalsamy, who was elected unanimously as the general secretary, said the post of party president, created in 1969, stood abolished, and in its place, the post of chairman of Presidium, was being revived.

Staking his claim to the "red and black" flag of the DMK, Mr Gopalsamy said the party would follow the policies of founder-leader C.N. Annadurai.

He also announced the revival of the party's Parliamentary Board with six members and removal of leaders nominated to various wings of the party by Mr Anbazhagan.

Meanwhile, in what is considered as a trial of strength, Mr Karunanidhi has convened the general council of the DMK at Thanjavur on December 29 and proposes to make video recording of the proceedings to nail the propaganda by Mr Gopalsamy's supporters that the Thanjavur meet would be a fake.

Asked whether he would release the list of the members, who attended the "general council" meeting, district wide, Mr Gopalsamy replied that he did not want to release the list now for "strategic" reasons. He, would do so at the right time.

He said photographs had been taken and video recording of the proceedings had been made to provide proof, if needed.

To a question whether he would capture Arivaalayam, the headquarters of the DMK led by Mr Karunanidhi, at Madras, Mr Gopalsamy said he had no faith in violence and would not "capture" the properties of DMK.

Parliament Debates Securities Scam Report

30 Dec Session Described

94AS0185A Madras THE HINDU in English 31 Dec 93
p 1

[Article: "Government Will Take Action on JPC Report: PM"]

[Text] New Delhi, Dec. 30. The Prime Minister, Mr. P.V. Narasimha Rao, today assured the country that the Government would take action "where called for" in the light of the recommendations of the Joint Parliamentary Committee (JPC) on the securities scam, as earlier promised in the Lok Sabha by "my Finance Minister,"

Dr. Manmohan Singh, but not before the main Opposition parties had staged a walkout in both Houses of Parliament.

The action would be based on a detailed examination of the report, Mr. Rao said speaking briefly in the Lok Sabha after Dr. Singh ended a 45-minute thought-provoking reply to the two-day special debate on the JPC report, in which he said the Government would come to Parliament with a blueprint of action within three months. The Opposition followed a similar pattern in the Rajya Sabha.

It was a pity that the entire Opposition, barring the AIADMK (All India Anna Dravida Munnetra Kazhagam) and the Muslim League, had walked out in protest against the Government's decision to let the Finance Minister, rather than the Prime Minister, reply to the debate.

It was sad to see Dr. Singh reply to a half-empty chamber. In a sense the debate had centred on him, and he had been praised by all Opposition for owning moral responsibility and offering his resignation.

While the discussion was running perfectly smoothly, not long before the reply was due, the Opposition leaders—including Mr. Atal Behari Vajpayee, Mr. Sharad Yadav, Mr. Somnath Chatterjee, Mr. Indrajit Gupta and Mr. Chandra Shekhar—set up a clamour that they would accept a reply to the debate only from the Prime Minister.

They urged the Speaker, Mr. Shivraj Patil, and the Parliamentary Affairs Minister, Mr. V.C. Shukla, not to be "bound down by rules," according to which, any Minister can answer for the whole Government in a special discussion under rule 193, and in this case, as Mr. Patil noted, the "nodal" Ministry was, indeed, Finance.

The Opposition argued that the special status of the occasion demanded that the Prime Minister himself reply, as a large number of Government Ministries and departments were scrutinised by the JPC (Joint Parliamentary Committee). Moreover, they said it would not be proper for a Minister who was believed to have tendered his resignation, to reply to the debate.

The Finance Minister noted at the beginning of his reply that he was speaking in his capacity as the Finance Minister. He said the JPC had made a deep study of the problem, and that he accepted full "constitutional responsibility" for the scam, even though the process had commenced some five years before he became the Finance Minister. He also said he was answerable to Parliament, the Prime Minister, and the people and would accept any "punishment" Parliament desired to hand down to him.

However, the Finance Minister observed that he differed with the appreciation of the JPC that the Finance Ministry or he himself had failed to anticipate the sensational scam, had lacked in "purposeful response"

once it broke, failed to manage it adequately, or apply correctives with despatch and punish the guilty.

Citing detail after detail, he said he had begun the clean-up and the investigation through various instructions and setting up of high-powered bodies within a month of becoming the Finance Minister, though he had to immediately plunge into the budget-making exercise, and devise strategies "with the blessings of the Prime Minister" to manage the country's very precarious finances, as India was being virtually written off worldwide as a country gone bankrupt.

The ruling party in the Rayja Sabha launched a direct attack on the JPC report in the face of vociferous demand from the Opposition for the resignation of all the Ministers against whom adverse comments have been made in the Committee report.

Barring the melodrama towards the end that centred around the remarks made by Mr. Ram Jethmalani (JD) (Janata Dal) on the CBI (Central Bureau of Investigation) and the Prime Minister which led to adjournment of the House and walkout by the Opposition demanding reply from the Prime Minister, proceedings in the Upper House were lack-lustre. The Left members who stayed in the House kept shouting, even as Dr. Singh rounded-off the debate in a brief speech which could not be heard in the din.

What began as a veiled criticism of the contents of the report by the Power Minister, Mr. N.K.P. Salve, during the day became a full-fledged attack by his party colleague, Mr. R.K. Dhawan, who spoke towards the far-end and accused the committee of having shown "total lack of respect for rules and regulations."

The Opposition members on their part while reiterating their demand for the head of all the Ministers indicted by the committee, took serious exception to the description of the JPC report by the Congress(I) members and Ministers. Mr. Salve was repeatedly interrupted by the Opposition, when he sought to convey his "distress and dislike" over the debate and maintained that the committee report was not entirely "impartial."

The Leader of the Opposition, Mr. Sikandar Bakht, and Mr. S. Jaipal Reddy (JD) were on their legs immediately after Mr. Salve took the position that the debate was devoid of merit and objectivity and wanted to know if he was speaking in his capacity as a member or a Minister. If it was the later what he said amounted to virtual denigration of the committee report.

Undeterred by the interruptions, Mr. Salve dealt at length on what he termed as informities in the contents of the committee report and the constitutional position on issues like collective responsibility and sustainability of the comments in the report against the Finance Minister and his Ministry, Mr. N. Giri Prasad (CPI) (Communist Party of India) contended that argument of

systemic failure cannot hold water, as no system worked without individuals who were responsible for its functioning.

In his intervention, the Commerce Minister, Mr. Pranab Mukherjee, asserted that there was no constitutional obligation for Ministers on the basis of reports of parliamentary committees and sought to make a distinction between the outcome of a commission of inquiry and the parliamentary committee. He argued that Mr. K.D. Malaviya and Mr. T.T. Krishnamachary had resigned following indictment by a commission of inquiry by a sitting Supreme Court judge.

Finance Minister's Speech

94AS0185B Madras THE HINDU in English 31 Dec 93
p 6

[Article: "I Am Not Guilty: Manmohan"]

[Text] New Delhi, Dec. 30. The Union Finance Minister, Dr. Manmohan Singh, today declined to plead guilty to the points raised by the Joint Parliamentary Committee (JPC) probing the securities scandal with regard to his personal role as the Finance Minister or that of the Ministry of Finance.

In his reply to the special debate in the Lok Sabha, Dr. Singh made it clear that he was addressing the House in his capacity as the Finance Minister and went ahead to accept full constitutional responsibility for the actions and the area of responsibility of the Ministry of Finance. Stating that he would not take shelter behind Constitutional niceties, he listed out the five points on which the JPC has criticised the Finance Minister or the Ministry in general—failure to anticipate the problem; failure to respond purposefully to the problem; failure to manage the consequence of the scam; failure to apply immediate corrective measures and failure to punish the guilty.

Prompt steps taken: Confessing that it was a "matter of deep personal regret that the irregularities in the misuse of funds got accentuated in the first nine months" of his Ministership, Dr. Singh responded to the first point that as early as July 24, 1991 he had referred to the grave weakness in the banking and financial system of the country during the course of his first Budget presentation. Within a month of that, the Narasimham Committee had been set up to suggest the reforms in the financial sector, "I was aware of the weakness in our system. But what I was not aware of was that some people sitting in the State Bank in Bombay were robbing the bank," he added.

The Minister also pointed out that he had also said the Indian capital market was unregulated and that the four people comprising the Stock Exchange division in the Finance Ministry were neither adequate nor competent to oversee the market. Consequently, he had emphasised on granting statutory powers to the Securities and Exchange Board of India (SEBI) which had been set up

about three years ago but had not been granted statutory powers. By early 1992, the SEBI had been granted statutory powers and its authority had the full backing of the Ministry, he added.

Cell to check frauds mooted: Dr. Singh also disclosed that in August 1991 he had sent a note to the then Minister for Banking, pointing out that the system was prone to frauds and that he felt it necessary that the Reserve Bank should set up a cell to prevent frauds.

Stressing further his point that he was conscious of some problem in the stock markets, the Minister said he had asked the Reserve Bank to stop bank finances for investment in shares in October 1991 and this had an effect on the market which remained more or less stable till December. By January 1992, however, the market had started rising again and RBI (Reserve Bank of India) was asked to strictly enforce the ban on bank finances for speculative purposes.

At that point, the Finance Minister asked the then Finance Secretary to find out where the brokers were getting funds for their activities and for this purpose the accounts of leading brokers were scrutinised and raids conducted on Mr. Harshad Mehta's premises on February 28, 1992. "Unfortunately, the information procured was on floppy disks and it took time to decipher," he added.

In early March, the RBI asked financial institution chiefs to see the accounts of the leading brokers and through that it was first found out that there was some leakage from the SBI and eventually the scam came to the notice.

On the JPC point that in his meeting with Stock Exchange authorities in early 1992 the Finance Minister had failed to mention the fluctuations in the market, Dr. Singh said it would have been extremely foolish on the part of the Finance Minister to indicate what should be the share prices. "I told them that the behaviour of the stock markets could bring the whole process of liberalisation to disrepute and that the Government would relent on the powers of the SEBI," the Minister said and pointed out that any comment by him about share prices could have led to brokers making "millions on the exchange."

Crisis management steps: Dr. Singh also referred to the comment about his being "in slumber" and refuted the charge by mentioning the series of crisis-management measures he had undertaken on becoming the Finance Minister on June 24, 1991. About the laxity in taking follow-up action too, he said that in May 1992 the Janakiraman committee was set up which gave its first report in one month. Within three to four days, the Government followed up the recommendations by setting up a Special Court in Bombay to try the offenders, handed over cases for investigation to the Central Bureau of Investigation and sacked various bank officials from their posts.

About the foreign banks and their role in the scam, the Minister reiterated that they would not be allowed to get away with any violation of rules and regulations and that special audits had been undertaken and their lapses identified. The RBI had also set in position various measures to improve supervision over the banks in the country, including the provision of stricter audits.

The financial sector reforms too would ease the pressure of banks to earn higher income through "the back door," as the Finance Minister put it, because the new system would enable them to earn reasonable returns through normal operations and present acceptable balance sheets. On the other recommendations of the JPC, the Minister promised to get back to parliament in three months with reports of action taken on the suggestions.

Air Chief Tells Need To Upgrade MiG-21s

94AS0183C Madras THE HINDU in English 17 Dec 93
p 4

[Article: "Air Chief Sees Need for Upgrading MiG 21"; quotation marks as published]

[Text] Bangalore, Dec. 16. There was an urgent need to consider upgradation of the MiG-21 being flown by the Indian Air Force, said Air Chief Marshal, S.K. Kaul, Chief of Air Staff here.

India's Light Combat Aircraft (LCA), which would replace the MiG-21s, would enter operational service only around 2005, the Air Chief Marshal said at a press conference at the Bangalore air show today. The budgetary cuts had also made it necessary for the Air Force to prioritise its requirements. As a result, the upgradation of the MiG-21s, which the Air Force has used for over three decades, assumed importance. By upgrading the aircraft, it was possible to get enhanced capabilities with a smaller outlay.

There had been offers from various vendors and countries, he said in reply to a question. All the offers were being looked into. No decision had yet been taken, he added.

Full scale mock-up: Many of the companies which would be involved in the upgradation were present at the air show. The Russians had a full scale mock-up of the upgraded MiG on show. 'We can offer India the option of Russian or Western avionics,' said a spokesman for MiG. The company had tie-ups with French companies, such as Thompson-CSF, and could offer Western avionics but at a higher cost. The improved MiG-21 would have significantly increased combat capabilities against air and ground targets. It would also be able to use the most up to date air-to-air missiles.

The Israel Aircraft Industries (IAI) too is offering to upgrade the MiG-21s and had a mock-up of the improved cockpit on display. 'We can provide the F-16's avionics capabilities for the MiG-21,' said an IAI

spokesman. The cockpit would be completely modernised and the IAI upgraded MiG-21s would be able to carry both Western and Eastern weapons. the upgradation of each aircraft would not cost more than \$3.5 millions.

HAL in fray: The Hindustan Aeronautics Limited (HAL) too is in the fray. 'Apart from the Russians, we are the people best acquainted with the MiG-21,' said a company official. HAL too has a mock-up of its upgraded cockpit on show. HAL had already carried out several improvements on the MiG-21, and could offer the best mix of Indian, Russian and Western systems for upgradation, he said. It may be possible to use some of the electronic systems developed for the LCA in the MiG-21 upgrade.

French avionics suppliers may well be major beneficiaries if either HAL or Russia gets the contract for the upgradation. The French companies have turned out in strength for the Bangalore air show and include the Thomson group and Sagem. Both companies point out the suitability of their systems for upgrading the MiG-21. HAL already manufactures under licence an inertial navigation and attack system of Sagem, for its Jaguar strike aircraft.

IRAN

Petrochemical Exports Increase

94LA0071A Tehran JOMHURI-YE ESLAMI in Persian 15 Jan 94 p 2

[Text] The export of petrochemical products from the country increased in the first six months of this year.

According to a report by the Central News Unit based on statistics published by the National Petrochemical Industries Company, in the first six months of this year, nearly 1.83 million tons of chemical and petrochemical products at a value of about \$98 million were exported from the country, which in terms of weight and value marks an increase in the export of these materials over a similar period last year.

Based on the same statistics, about 529,000 tons of the products of the National Iranian Petrochemical Company were exported in the first six months of last year at a value of nearly \$55.63 million.

According to these statistics, in the first six months of this year, \$30 million in liquid gas, about \$25 million in light oil, \$10 million in sulphur, \$9 million in ammonia, and various amounts of other products of the National Iranian Petrochemical Industries Company were exported.

At the same time, according to the report of the Central News Unit, the production of the petrochemical industries units in the country on the whole in the first six months was less than a similar period last year.

Gilan Province Nonoil Exports Detailed

94LA0071F Tehran JOMHURI-YE ESLAMI in Persian 12 Jan 94 p 13

[Text] Bandar Anzali, IRNA. More than 137,000 tons of nonoil goods at a value of 5 billion rials have been exported through Gilan Customs this year.

Purgiahi, the director general of Gilan Customs, said yesterday, Tuesday: This volume of goods shows an increase of 95 percent in weight and 87 percent in value compared to a similar period last year.

He said: The export goods include clothing, potatoes, fruits, raisins, dates, and zinc concentrate.

He mentioned the amount of imported goods during this period to be 1 million tons and added: This amount of imports compared to a similar period last year shows an increase of 10 percent.

According to him, during the same period, 52,527 passengers entered through the border customs of the cities of Anzali and Astara and 65,179 passengers exited through this border.

He announced: The result of the customs activities of this province in the nine months of this year is 1,673,000,000 rials in revenues, a 39-percent increase.

Wheat Production Increases in Gilan Province

94LA0071E Tehran JOMHURI-YE ESLAMI in Persian 13 Jan 94 p 10

[Text] Rasht, JOMHURI-YE ESLAMI: The purchase of surplus wheat from Gilan farmers is completed.

The public relations office of the Rural Cooperative Organization announced that in order to support producers, from the start of the wheat harvest, more than 2,144 tons of surplus wheat from Gilan farmers has been purchased by 11 stationary and mobile purchasing centers of the Rural Cooperative Organization of Gilan Province in the cities of Rudbar, Lahijan, Talesh, Rudsar, and Astara at a value of 546 million rials and delivered to the Rasht silo.

It is interesting that the total purchase last year in Gilan was 748 tons. Compared to last year, 1,396 additional tons of surplus wheat has been purchased from farmers.

Funds Allocated for Agricultural Sector

94LA0071D Tehran JOMHURI-YE ESLAMI in Persian 13 Jan 94 p 11

[Text] JOMHURI-YE ESLAMI newspaper: 36 billion rials[Rls] in funds have been paid by the Agricultural Bank to farmers.

Mr. Mohaqeq, the director of branch affairs of the Agricultural Bank of Central Province, made this statement in an exclusive interview and said: During the first nine months of this year, Rls36 billion in financial credit

in the form of Islamic contracts and 15,000 direct loans have been paid to farmers by 28 branches of this bank throughout the province, the major projects of which include 100 farm projects with Rls2 billion in investments.

He added: 23 large projects to raise milk cows with Rls741 million in funds, which added 856 cows to those units; 72 calf and sheep fattening projects, with Rls2.5 billion in funds, adding 5,500 sheep and 61 chicken-raising projects, with Rls2.8 billion in funds; and 835,000 meat-producing chickens and 120,000 egg-laying chickens are in production and operation.

He added: This year Rls1.8 billion rials have been paid to farmers to purchase 120 tractors, and in the sector of industries related to agriculture, for the operation of cheese manufacturing workshops, Rls326 million rials have been provided. With the start of the operations of these units, annually 2,300 tons of cheese will be produced. In conclusion, he said: The Agricultural Bank has invested in 402 large projects a total of Rls15 billion, and in the plant coverage sector it has paid Rls1.5 billion rials in funds for 247 projects.

Official on Sistan Va Baluchestan Port Activities

94LA0073A Tehran JOMHURI-YE ESLAMI in Persian
16 Jan 94 p 13

[Text] Note. Chabahar Port nowadays has a new look. The rapid population growth and the expansion of urban services, combined with fundamental investments, indicate a bright future for this port.

Chabahar Port, on the shores of the Sea of Oman, with a favorable location and connected to the mainland, is considered the third free port of the Islamic Republic of Iran, and in terms of space and resources is the best transit center for goods from the sea to Central Asia and Afghanistan.

High-quality roads have made it possible for goods coming in on ships to be transported over land in the shortest possible time to their destiny of the republic to the north of our country.

For this reason, on the invitation of the public relations office of the Ports and Shipping Organization of the Islamic Republic of Iran, a number of media representatives visited the ports in this region, the results of which you will read below.

According to the correspondent of the Economic Division of JOMHURI-YE ESLAMI, Mr. Habibollah Ra'ufi, the director general of the office of Ports and Shipping of the Province of Sistan Va Baluchestan, at a gathering of media reporters who had traveled to Chabahar, announced that 98 percent of the activities of Chabahar Port have been given to the private sector and are only supervised by the Central Office of Ports and Shipping of this province. He said: In connection with the policy of reducing imports, in the nine months of this year, the

amount of unloading of goods in Chabahar Port has decreased by 40 percent compared to a similar period last year.

He said: Before the revolution the Chabahar region was a deprived village with a population of 5,000 and lacked asphalted roads and urban services. After the start of the port building, fishing, and multipurpose dock projects, facilities such as desalination and naval communications systems were created, and at the present this port has a population of 50,000 people.

Mr. Ra'ufi pointed out: In the province of Sistan Va Baluchestan, there are about 300 km of sea borders. The first port created in Chabahar was the "Martyr Beheshti Port," which is southwest of the city, and its dock was rapidly installed in nine months in 1362 [21 March 1983-20 March 1984] and put into operation.

The above-mentioned dock is 1 km from the shore with docking stations each 150 meters long for ships up to a capacity of 25,000 tons and is the central dock in this region.

He added: The area and the coastal facilities of Martyr Beheshti Dock take up a total of 2,000 hectares[ha], of which 36 ha are open warehouses and 18,000 ha covered warehouses.

Ra'ufi mentioned the total cost of the building of the Martyr Beheshti Port dock at \$27 million in foreign currency and 1 billion in rials and said: In this port, five desalination machines have been built, the capacity of each of which is 500 cubic meters, a total of 2,500 cubic meters per day. If more are needed in the future, it can be expanded by up to 10 machines.

Also, because of these facilities (desalination) in the port, we are able to provide water needed by the transit ships.

The cost of the desalination machines is 30 million DM in foreign currency and 18 million toman in rials, which has all been done by the private sector.

Concerning the operation of the nine months of this year of the ports and shipping of the province of Sistan Va Baluchestan, Mr. Ra'ufi said: From Farvardin [21 March-20 April] to the end of Azar this year [21 December 1993], 32 ships have entered Chabahar Port and about 650,000 tons of goods unloaded. Of this amount, 400,000 tons were dry goods, and the remaining 250,000 tons were oil products.

The director-general of ports and shipping of Sistan Va Baluchestan said concerning the future programs of Martyr Beheshti Port: We have a large program planned for this port. For example, the wave-breaker project of this port, at 3 km in length with 12 dock stations, the installation of which will start in one month by Iranian experts and engineers and is projected to take five years.

He mentioned its weather as one of the advantages of this port, which is the warmest in the country in winter and the coolest in summer.

The director-general of ports and shipping of the province of Sistan Va Baluchestan announced that if the problem of goods transit is resolved in this region, this port will grow and said: If more facilities, such as customs exemptions, etc., are provided in this port for ships, the ships will be more willing to come to this region. Also, given the low cost of labor in this region, investors can invest in native industries, such as fishing, which in addition to creating jobs will also affect exports.

It is noteworthy that during the stay of the representatives of the media, one ship with a Cypriot flag and Cuban crew, which carried 14,000 tons of sugar purchased by the Islamic Republic from Brazil, docked at the Martyr Beheshti dock to unload and was immediately unloaded by the personnel of the port and sent in trailers to various centers of the country, including sugar factories.

This report also indicates: The representatives of the media visited the nonprofit girls school complex of Martyr Beheshti (Hadaf), which has been built by the Central Office of Ports and Shipping of the province of Sistan and Baluchestan, at the levels of preschool, elementary school, middle school, and high school.

This school has a staff of 20, and at the levels of preschool, elementary school, and middle school, 65, 120, and 45 students, respectively, are studying. Students in this school take part in such extracurricular activities as sewing, computers, typing, reading and recitation of the Koran, and calligraphy.

The principal of the Martyr Beheshti Girls Schools (Hadaf), referring to the long distance and lack of

housing and resources of the teachers and personnel of this educational center, expressed hope that next year teacher training school graduates of the province will be used in teaching.

Over 3 Million Tons Iron Ore Excavated

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in Persian 18 Jan 94 p 10

[Text] Iron ore in the amount of 3,338,000 tons was excavated from the Chagharat Mine in the city of Bafeq. Compared to a similar period last year, this shows a 6.2-percent decrease.

Hasan Nikkar, the general manager of the Central Iranian Iron Ore Company (Bafeq) said to IRNA's reporter: Using the railroads during this period, 2,062,640 tons of iron ore were transported to the Esfahan Steel Mill.

On the whole, he mentioned the excavation operations during this period as 7,046,000 tons and the amount of exploratory excavation as 3,708,000 tons and added: The operations for excavation and exploratory excavation increased by 12.7 percent and 37.5 percent, respectively, compared to the previous year.

He added: It is anticipated that by the end of this year, 5,220,000 tons of iron ore will be excavated from the Chagharat Mine, of which 3.5 million tons will be transported to Esfahan Steel Mill.

The Chagharat Mine is one of the largest automated mines in the country, which is located 130 km from the capital of Yazd Province, and its decisive reserves at the start of activities were 215 million tons.

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